

SUBMITTED FOR REVIEW

REGULATORY SUBLITAL
FACE SHEET
FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE OFFICE OF ADMINISTRATIVE LAW

JUL 3 1987

OFFICE OF ADMINISTRATIVE LAW

ENDORSED
APPROVED FOR FILING

JUL 01 1987

Office of Administrative Law

For use of Office of Adm Law

CERTIFICATION: I hereby certify that the attached are true and correct copies of regulations adopted, amended or repealed by this agency and that the information specified on this Face Sheet is true and correct.

State Department of Social Services

(AGENCY)

Sil S. McNab

AGENCY OFFICER WITH RULEMAKING AUTHORITY

Date: 6/24/87

RDB #0585-27

FILED

In the office of the Secretary of State
of the State of California

JUL 1 1987

At 3:05 o'clock P.M.

MARCH FONG EU, Secretary of State

By *John Bates*
Deputy Secretary of State

For use by Secretary of State only

1. AGENCY CONTACT PERSON FOR THIS FILING
(See instructions)

TITLE

TELEPHONE

Rosalie Clark, Chief, Regulations Development Bureau

445-0313

2. Type of filing, (check one) 30-day Review Emergency Certificate of Compliance
(Complete Part 4 below)

Regulatory changes resulting from Govt. Code 11349.7 review (Complete Part 6 below)
 Nonsubstantive changes with nonregulatory effect Printing Error Correction

3. a. Specify California Administrative Code title and sections as follows:

SECTIONS ADOPTED:

Title MPP

See attached list

SECTIONS AMENDED:

See attached list

SECTIONS REPEALED:

See attached list

b. The following sections listed in 3a contain modifications to the text originally made available to the public: 63-300.511 and
63-503.311

4. CERTIFICATE OF COMPLIANCE (Government Code Section 11346.1(e)): The above-named agency officer certifies that this agency
complied with the provisions of Government Code Sections 11346.4-11346.8. (Check one)

prior to the emergency adoption
 within 120 days of the effective date of the emergency adoption of the above-referenced regulations.

5. Is this filing a resubmittal of a previously disapproved or withdrawn regulation?

No Yes, if yes, give date(s) of prior submittal(s) to OAL: April 30, 1987 (OAL file no. 87-0430-1)

6. Is the filing submitted to carry out amendments or repeals identified in the statement of review completion submitted as a result of the
agency's review of regulations administered by it as of June 30, 1980?

No Yes, if yes, give date statement was submitted to OAL November 14, 1984

7. If these regulations required prior review and approval or concurrence by any of the following agencies, check appropriate box(es)

Fair Political Practices Commission (Include FPPC approval stamp) Building Standards Commission (Attach approval)
 State Fire Marshall (Attach approval) Department of Finance (Attach properly signed Std. 399)
 Other _____

(SPECIFY AGENCY)

a. PUBLICATION DATE OF NOTICE IN CALIFORNIA ADMINISTRATIVE NOTICE REGISTER	b. DATE OF FINAL AGENCY ACTION	c. DATES OF AVAILABILITY OF MODIFIED REGULATION(S) (GOVT. CODE SEC. 11346.8(c))
December 26, 1986	JUN 25 1987	Not Applicable

9. Effective date of regulatory changes: (See Government Code Section 11346.2 and instructions on reverse)

a. Effective 30th day after filing with the Secretary of State.
b. Effective upon filing with the Secretary of State.
c. Effective on _____ as required or allowed by the following statute(s):
d. Effective on July 1, 1987 (Designate effective date *earlier than* 30 days after filing with the Secretary of State pursuant
to Govt. Code Sect. 11346.2(d)).
Attach request demonstrating good cause for early effective date. Request subject to OAL approval.
e. Effective on _____ (Designate effective date *later than* the normal effective date for the type of order filed.)

INSTRUCTIONS FOR STD 400

Completed Face Sheet for Filing Regulations with the Office of Administrative Law must be attached to the front of each of the seven copies of the regulations. Note that at least one Face Sheet must contain an original signature of the agency officer with rulemaking authority.

- Part 1. Provide the name and telephone number of the person who is authorized during the review period to answer questions regarding this regulatory filing. If different than person designated in certification box, attach order delegating authority for making decisions regarding these regulations.
- Part 2. Check the appropriate box. NOTE: Nonsubstantive changes are reviewed by and are subject to OAL approval.
- Part 3 a. Provide the Administrative Code Title in which the regulation will appear and list *section* number of each regulation to be amended, adopted or repealed. *When filing a Certificate of Compliance list the section number of each emergency regulation formally adopted after completion of the rulemaking procedures of the APA.* (Attach additional sheets if necessary.)
 - b. Please list the section number of each regulation which includes modifications to the text to the regulations originally made available to the public pursuant to Government Code Section 11346.5(b), and adopted, amended or repealed as modified pursuant to Government Code Section 11346.8(c). The sections listed here must correspond to the sections which were made available for 15 days pursuant to Government Code Section 11346.8(c).
- Part 4. Check appropriate box as necessary to comply with the requirements of Government Code Section 11346.1(e).
- Part 5. Specify date(s) and file number(s) of each prior submittal of these regulatory changes which was withdrawn or disapproved.
- Part 6. OAL has a longer time period to review regulatory changes submitted to carry out amendments and repeals which are identified in the agency's Statement of Review Completion and which have been submitted as a result of the agency's review of regulations administered by it as of June 30, 1980. Therefore, these regulatory changes should be submitted in a separate filing from any other regulatory changes. If not submitted separately, regulations not resulting from the review and any material in the rulemaking file relating to them must be clearly identified.
- Part 7. Certain regulatory activities must be reviewed and approved by other state agencies prior to submittal to OAL. Regulations subject to prior approval include:
 - a. Fire and panic safety regulations (Govt. Code Sec. 11342.3.).
 - b. Building standards as defined in Section 18909 of the Health and Safety Code (Govt. Code Sec. 11343).
 - c. Conflict of Interest regulations (Title 2 California Admin. Code Section 18750(i)).

Note: Where regulations have a fiscal impact on state, local or federal government or result in reimbursable costs to local government or school districts the fiscal impact statement must be reviewed, approved and signed by the Department of Finance before the regulations will be accepted for filing by OAL. See Government Code Sections 11349.1, 11346.5(a)(6), and S.A.M. sections 6050-6057.
- Part 8 a. Provide the publication date of the Notice Register in which the notice of proposed action appeared.
 - b. Provide the date on which the regulatory agency adopted the regulatory changes.
 - c. If the regulations were modified subsequent to the hearing or written comment period, provide the dates during which the modified regulations were made available to the public. Note that period must be at least 15 days and must be completed prior to the date the agency adopts the modified text. All modifications must be clearly indicated.
- Part 9. Effective Dates — check one of the following:
 - a. A regulation or order of repeal is effective 30 days after filing with the Secretary of State unless a different date is specified below.
 - b. An emergency order, Certificates of Compliance or nonsubstantive change is effective upon filing with the Secretary of State unless a later date is specified below.
 - c. If an effective date other than specified above is required or allowed by statute, provide the date and the statutory citations(s).
 - d. If an early effective date is being requested, please attach a letter specifying the date the regulation(s) should take effect and the reason for the early effective date. Requests are granted by OAL upon a showing of good cause.
 - e. If an effective date later than specified above is requested, provide the date.

FILING REQUIREMENTS

The following material must be submitted when filing regulations with OAL:

- *Seven (7) copies of the regulations.* Note: Use underline and strikeout to indicate changes in an existing section. For adoption of a new section, underline new text. The repeal of an entire section may be indicated by placing a diagonal slash through the text to be repealed.
- *A completed Face Sheet for filing regulations with the Office of Administrative Law, Form STD 400 attached to the front of each copy of the regulations, with at least one Face Sheet bearing an original signature.*
- *Complete rulemaking file, with index and sworn statement.* (See Govt. Code Sec. 11347.3 for full list of rulemaking contents.)

Sections Adopted:

63-054, 63-301.424; 63-501.512, 63-502.135, and .148; 63-503.486; 63-604.6 and .8.

Sections Amended:

63-104.1, .211, .212, and .3; 63-107.1, .231(b), .31, .41, .81, .86, and .91; 63-201.2; 63-300.511, .512(a) - (h), .513, .516, .516, and .518(a) - (g), .532(a) and (b); 63-301.42, .421, .422, .423, .431, .432, .441, .442, .443, and .533; 63-402.12, .13, and .14; 63-402.31, .321, and .334; 63-501.3(f) - (k), .42, .43, .5, .511, .513, .52, .522, .523, .524, .526, .53; 63-502.11, .111, .112, .121, .122, .133, .134, .141, .142, .143, .144, .145, .146, .147, .149, .18, .2(a), (b), (g), (h), (j), and (k), .33, .35, .351, .352(b), (c), (d), and (e); 63-503.232(d), .311, .312, .323, and .48; 63-504.343(b), .45, and .512; 63-604.1, .2, .3, and .6; 63-605.317; 63-804.613, and 63-805.3.

Sections Repealed:

63-300.532; 63-501.525; 63-502.1b ; 63-604.6>Title).

Adopt Section 63-054 to read:

63-054 IMPLEMENTATION OF AB 1111 FOOD STAMP AMENDMENTS 63-054

The revisions to the following sections shall become effective July 1, 1987: 63-104.1 through .3; 63-107.1, .231(b), .31, .41, .81, .864, and .91; 63-201.2; 63-300.511 through .513, .516, .518, and .532; 63-301.42 through .44, and .533; 63-402.12 through .16; 63-403.31, .321, and .334; 63-501.3(f) through (k), .42, .43, .5, .51, .511 through .514, .52, .521 through .526, and .53; 63-502.1, .11, .111, .112, .12, .121, .122, .13, .131 through .135, .14, .141 through .149, and .15 through .18; 63-502.2(a) through (k), .33, .35, .351, and .352; 63-503.232(d), .322 though .327, and .486; 63-504.343, .45, and .512; 63-604.1, .2, .3, .6, and .8; 63-605.317; 63-804.613; and 63-805.3.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Section 18904, Welfare and Institutions Code.

Amend Sections 63-104.1 and .3; amend and renumber Sections 63-104.4, .41, and .42 to 63-104.21, .211, and .212, respectively, to read:

63-104 COUPONS AS OBLIGATIONS OF THE UNITED STATES, 63-104
CRIMES AND OFFENSES

.1 Coupons as Obligations

Pursuant to Section 15(d) of the Food Stamp Act, as amended, coupons are an obligation of the United States within the meaning of the United States Code. The provisions of Section 8, Title 18 of the United States Code, "Crimes and Criminal Procedure," relative to counterfeiting, misuse and alteration of obligations of the United States are applicable to coupons.

.2 Penalties (Continued)

.421 Coupon Issuers

.4211 Any coupon issuer or any officer, employee or agent, thereof convicted of failing to provide the monthly reports required in Sections 63-7075.6 and .8 or convicted of violating Chapter Sections 63-600 or 63-700 shall be subject to a fine of not more than \$1,000, or imprisoned for not more than one year, or both.

.4212 Any coupon issuer or any officer, employee or agent, thereof convicted of knowingly providing false information in the reports required under Sections 63-7075.6 and .8 shall be subject to a fine of not more than \$10,000, or imprisoned not more than five years, or both.

.3 Security for Coupons and ATPs

All individuals, partnerships, corporations, or other legal entities including county agencies and their delegatees (referred to in this paragraph as "persons") having custody, care and control of coupons and ATPs shall, at all times, take all precautions necessary to avoid acceptance, transfer, negotiation, or use of spurious, altered, or counterfeit coupons and ATPs and to avoid any unauthorized use transfer, acquisition, alteration or possession of coupons and ATPs. These persons shall safeguard coupons and ATPs from theft, embezzlement, loss, damage, or destruction, as specified in Sections 63-601.3, 63-704.29 and 63-708.2.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; and 7 CFR 271.5(a), (b), (c), and (d).

Amend Sections 63-107.1, 63-107.231(b), and 63-107.31 to read:

**63-107 BENEFIT REDUCTION, SUSPENSION, OR CANCELLATION 63-107
PROCEDURES**

.1 General Purpose

This section sets forth procedures to be followed if the monthly food stamp allotments determined in Section 63-503 must be reduced, suspended, or cancelled to comply with Section 18 of the Food Stamp Act of 1977*, as amended. Section 18(b) of the Food Stamp Act of 1977 directs the Secretary of USDA to reduce, suspend or cancel the value of coupon allotments if program costs exceed the fiscal year appropriations.

.2 Reductions (Continued)

.23 Implementation of Allotment Reductions (Continued)

.231 (Continued)

(b) Where manual issuance is used, CWDs shall reproduce the revised issuance tables provided by SDSS and distribute them sufficient copies to issuance personnel. It is the responsibility of the CWD to ensure that sufficient copies are distributed to issuance agents and personnel in time to allow benefit reduction during the month ordered by SDSS.

.3 Suspensions and Cancellations

.31 If a decision is made to suspend or cancel the distribution of food stamp benefits, SDSS ~~will~~ shall notify the CWDs of the date suspension or cancellation is to shall take effect.

Amend Sections 63-107.41, 63-107.81, .864, and 63-107.91 to read:

63-107 BENEFIT REDUCTIONS, SUSPENSION, OR CANCELLATION 63-107
PROCEDURES (Continued)

.4 Affected Allotments (Continued)

.41 Reduced benefits shall be calculated for all households; however, any households with one or two members whose reduced benefit would be less than \$10 shall receive a minimum benefit of \$10, except as provided in Sections 63-108-3 and 63-503-3 63-107.22.

63-107 BENEFIT REDUCTIONS, SUSPENSION, OR CANCELLATION 63-107
PROCEDURES (Continued)

.8 (Continued)

.81 CWDs shall accept and process applications (new and recertifications) during a month(s) in which a reduction, suspension, or cancellation is in effect. Except as otherwise provided in Section 63-107, applications shall be processed in accordance with Chapters 63-300, 63-400, and 63-500.

63-107 BENEFIT REDUCTIONS, SUSPENSION, OR CANCELLATION 63-107
PROCEDURES (Continued)

.8 (Continued)

.86 Expedited Services (Continued)

.864 Issuance after Suspension or Cancellation Period

After the suspension or cancellation period is endeds, the processing standard for issuance of benefits shall be issued in accordance with Section 63-301.531, except that the CWD shall use using the final date of suspension or cancellation in lieu of the date of application.

63-107 BENEFIT REDUCTIONS, SUSPENSION, OR CANCELLATION 63-107
PROCEDURES (Continued)

.9 State Hearings (Continued)

.91 SDSS shall not be required to hold state hearings unless the request for a state hearing is based on the household's belief that its new benefit level was computed incorrectly or that the rules were misapplied or misinterpreted.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; and 7 CFR 271.7(a), (d), (e), and (f).

Amend Section 63-201.2 to read:

63-201 GENERAL TERMS AND CONDITIONS (Continued)

63-201

.2 No Aid Reduction

No participating state or county Counties shall not decrease any assistance otherwise provided an individual or individuals because of the receipt of a coupon allotment.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: 7 CFR 272.1(b).

Amend Sections 63-300.511 and .512; renumber Sections 63-403.321a. and b. to 63-300.512(a) and (b) respectively; amend Section 63-300.512(b); renumber Sections 63-403.322 through .327 to 63-300.512(c) through (h); renumber Sections 63-403.323a. through c. to 63-300.512(d)(1), (2) and (3); amend Sections 63-300.512(d) and (d)(3), .512(e) through (g), .513, .516, and .518; and renumber Sections 63-403.341 through .348 to 63-300.518(a) through (h), respectively, to read:

63-300 APPLICATION PROCESS (Continued)

63-300

.5 Verification (Continued)

.51 Mandatory Verification (Continued)

.511 Gross Nonexempt Income

Gross nonexempt income shall be verified for all households prior to certification. However, where all attempts to verify the income have been unsuccessful because the person or organization providing the income has failed to cooperate with the household and the CWD and all other sources of verification are unavailable, the ~~eligibility worker~~ CWD shall determine an amount to be used for certification purposes based on the best available information. Best available information may include an applicant's affidavit.

.512 Alien Status

Based on the application, the CWD shall determine if members identified as aliens are eligible aliens, as defined in Sections 63-403.12 through .18 by requiring that the household present verification for each alien member. Specific requirements for verification of alien status are addressed in Section 63-403.

~~.321(a)~~ Aliens in the categories specified in Sections 63-403.12, .13 and .18 shall present an Immigration and Naturalization Service (INS) Form I-151 or I-551 -- "Alien Registration Receipt Card"; or the "Re-entry Permit," a passport booklet for lawful permanent resident aliens.

*324(b) Aliens in the categories specified in Sections 63-403.14 through 63-403.16 shall present an INS form I-94 -- "Arrival-Departure Record." The county welfare department CWD shall accept the INS form I-94 as verification of eligible alien status only if the form is annotated with Sections 207, Section 208, Section 212(d)(5), or Section 243(h)(1) of the Immigration and Nationality Act; or if the form is annotated with one of the following terms or a combination of the following terms; Refugee, parolee, paroled, conditional entry or entrant, or asylum. An INS form I-94 annotated with the letters (A) through (L) shall be considered verification of ineligible alien status unless the alien can provide other documentation from INS which indicates that the alien is eligible. If the INS form I-94 does not bear any of the above annotations and the alien has no other verification of alien classification in his or her possession, the county welfare department CWD shall advise the alien: Immigration and Nationality Act shall result in eligible status that the alien may be eligible if acceptable verification is obtained; that if the alien wishes and signs a written consent, the CWD will contact INS to obtain clarification of the alien status and that the alien may contact INS or otherwise obtain the necessary verification.

- (1) that classification under Sections 207, Section 208, 212(d)(5), or 243(h) of the Immigration and Nationality Act shall result in eligible status;
- (2) that the alien may be eligible if acceptable verification is obtained;
- (3) that if the alien wishes and may signs an written consent (consent form to be provided by DSS) Alien Status Verification Form (CA6) authorizing the CWD will to contact INS to obtain clarification of the

alien's status or that the alien may contact INS or otherwise obtain the necessary verification.

(4) that INS Form G-641, Application for Verification of Information from Immigration and Naturalization Service Records, is acceptable verification of eligible alien status if properly annotated by an INS representative as evidence of lawful admission for permanent residence or parole for humanitarian purposes.

•322(c) If the proper INS documentation is not available, the alien may state the reason and submit other conclusive verification. The CWD shall accept other forms of documentation or corroboration from INS that the alien is classified pursuant to Sections 101(a)(15), 101(a)(20), Section 207, Section 208, 212(d)(5), 243(h)(1), or 249 of the Immigration and Nationality Act, or other conclusive evidence such as a court order stating that deportation has been withheld pursuant to Section 243(h) of the Immigration and Nationality Act. Properly completed INS Forms I-181-B and G-641 shall also be acceptable verification of eligible alien status.

•323(d) If the alien has no documentation at all of eligible alien status, (not even an INS form I-94) the county welfare department CWD shall inform the alien that:

a-(1) he/she is ineligible to participate in the Food Stamp Program without INS verification of alien status,

b-(2) he/she may contact INS or otherwise obtain the necessary documentation and

c-(3) if he/she wishes, he/she may sign a written consent form to be provided by BSS Form CA 6 authorizing the county CWD to request verification of the alien's status.

-324(e) If an alien gives written consent for the county CWD to contact INS to obtain verification of the alien's status, the county welfare department CWD shall contact INS. However, the county welfare department CWD shall not contact INS to obtain information about the alien's correct status without the alien's written consent.

-325(f) If the alien does not wish to contact INS or give permission for the CWD to contact INS, the household shall be given the option of withdrawing its application or participating without that member. If the alien would be considered a household member if he/she were determined to be an eligible alien, the income and resources of the alien shall be treated as available to the household in accordance with Section 63-503.5442.

-326(g) For households whose alien members have not provided verification on a timely basis, the alien is ineligible and an excluded nonhousehold member. The eligibility of the remaining household members shall be determined in accordance with Section 63-503. The income and resources of the excluded nonhousehold member(s) shall be treated as available to the household in accordance with Section 63-503.5442.

If the CWD subsequently receives verification of eligible status, the CWD shall act on the information as a reported change in household membership in accordance with the timeliness standards in Section 63-504.3 or .4 as appropriate. When the addition of a new household member results in an increase in a household's benefits, the CWD shall make the change effective not later than the first allotment issued 40 days after the date the change was reported. However, in no event shall these changes take effect any later than the month following the month in which the change is reported, according to Section 63-504.322.

•327(h) (Continued)

.513 Identity

The applicant's identity of the person making the application shall be verified. When an authorized representative applies on behalf of a household, the identity of both the authorized representative and the head of household shall be verified. Identity may be verified through readily available documentary evidence, or if this is unavailable, through a collateral contact (see Section 63-300.542). Examples of acceptable documentary evidence which the applicant may provide include, but are not limited to:

- a Social Security card or other document containing the Social Security number,
- a driver's license,
- a work or school ID,
- an ID for health benefits or for another assistance program,
- wage stubs, or
- a birth certificate.

Examples of acceptable documentary evidence which the applicant may provide include, but are not limited to:

- (a) a Social Security card or other document containing the Social Security number,
- (b) a driver's license,
- (c) a work or school ID,
- (d) an ID for health benefits or for another assistance program,
- (e) a voter registration card
- (f) wage stubs, or
- (g) a birth certificate.

Any documents which reasonably establish the applicant's or his/her authorized representative's identity must shall be accepted, and no requirement for a specific type of document may shall be imposed.

•514 (Continued)

•515 (Continued)

•516 Continuing Shelter Expenses Costs (Continued)

a. Utility Expenses (Continued)

b. Entitlement to the Standard Utility Allowance

For those households entitled to claim the standard utility allowance ~~for~~ households who incur the cost of heating and/or cooling separate and apart from rent or mortgage payments, (SUA), as specified in Section 63-502.3652, the EH CWD shall verify that the household actually incurs a heating or cooling utility expense cost. The EH CWD is shall not permitted to verify more than one utility cost unless circumstances are questionable, as specified in Section 63-300.53. Verification of the utility expense cost is shall be done on a one-time basis unless the household has moved, changed its utilities, the utility which entitled it to the SUA, or unless questionable.

•5 Verification (Continued)

•51 Mandatory Verification (Continued)

•518 Sponsored Alien

For sponsored aliens, the CWD shall verify the factors of eligibility specified in Section 63-503.49. The sponsored alien must provide all verification required by Sections 63-403-32 and 433.

•34 Verification Responsibilities of the CWD

The CWD shall obtain from the alien the following information at the time of the household's initial application and at the time the household applies for recertification:

•341(a) (Continued)

•342(b) (Continued)

•343(c) (Continued)

•344(d) (Continued)

•345(e) (Continued)

•346(f) (Continued)

•347(g) (Continued)

•348(h) (Continued)

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 18901, 18902, and 18904, Welfare and Institutions Code; and 7 CFR 273.2(f)(1)(i), (ii), and (iii); 273.2(f)(3) and (f)(4); and 273.11(h)(4) and (5).

Repeal current language in paragraph following Section 63-300.532; renumber Sections 63-403.311 and .312 to 63-300.532(a) and (b); and amend Sections 63-300.532(a) and (b) to read:

63-300 APPLICATION PROCESS (Continued)

63-300

.5 Verification (Continued)

.53 Verification of Questionable Information (Continued)

.532 Citizenship

When a household's statement that one or more of its members are U.S. citizens is questionable, the household shall be asked to provide acceptable verifications. Specific requirements for verification of citizenship are addressed in Section 63-403.311.

.532(a) When a household's statement is questionable that one or more of its members are U.S. citizens is questionable, the household shall be asked to provide acceptable verification. Acceptable forms of verification include birth certificates, religious records, certificates of citizenship or naturalization provided by Immigration and Naturalization Service (INS), such as identification cards for use of resident citizens in the United States (INS Form I-179 or INS Form I-197) or U.S. passports. Participation in the AFDC program shall also be considered acceptable verification if verification of citizenship was obtained for that household member(s). If the above forms of verification cannot be obtained, the CWD shall accept a signed statement from someone who is a U.S. citizen which declares, under penalty of perjury, that the member in question is a U.S. citizen. The signed statement shall contain a warning of the penalties for helping someone commit fraud intentional Program violation.

.532(b) The member whose citizenship is in question shall be ineligible to participate until proof of U.S. citizenship is

obtained. The member whose citizenship is in question shall have his or her income prorated and resources treated as available to the household in accordance with Section 63-503.442. This prorata share is calculated by first subtracting the allowable exclusion from the questionable citizen's income and dividing the income evenly among the food stamp household members, disqualifying members, ineligible aliens, and questionable citizens. All resources of the questionable citizen shall be considered available to the food stamp household and not prorated.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 18901, 18902, and 18904, Welfare and Institutions Code; and 7 CFR 273.2(f)(1)(ii)(F) and 273.2(f)(2)(ii).

Renumber part of Section 63-301.421 to .42. The remainder of Section 63-301.421 will remain and also be renumbered to Subsections (a) and (b). Renumber Section 63-301.422 to .423 and amend. Renumber the second sentence in the first paragraph of Section 63-301.421 to Section 63-301.422(a) and amend. Adopt Sections 63-301.422, .422(b), and .424. Renumber part of Section 63-301.431 to .431(a) and (b) and amend. Renumber the second sentence in Section 63-301.432 to .433 and amend Section 63-301.432. Renumber parts of Section 63-442 to .442(a), (a)(1), and (b) and amend as shown. Amend Sections 63-301.443 and .533 to read:

63-301 APPLICATION PROCESSING TIME STANDARDS (Continued) 63-301

.4 Delayed Actions (Continued)

.42 Delays Caused by the Household

.421 If by the 30th day of the application processing period, the CWD cannot take any further action on the application due to the fault of the household, the household shall lose its entitlement to benefits for the month of application. The CWD has the option of sending the household either a Notice of Denial or a Notice of Pending Status (DFA 377-1) on the 30th day. The option chosen by the CWD shall apply to all households within the county.

.421 However, if a Notice of Denial is sent (see Section 63-504.23), the CWD shall notify and the household takes the required action within 60 days following the date the application was filed, the case shall be reopened without requiring a new application. No further action by the CWD is required after the Notice of Denial or Pending Status is sent of the action it must take to reactivate its application; that the case will be reopened without a new application if the required action is taken within 30 days of the date the denial notice is mailed; and that if the household does not take the required action within the 30-day period, it must submit a new application if it wishes to participate in the Food Stamp Program.

(a) If the household fails to take the required action within 60 days following the date the application was filed, no further notice shall be provided by the CWD

or the CWD has chosen to hold the application pending only 30 days following the date of the initial request for the particular verification that was missing and the household fails to provide the necessary verification by this 30th day.

•422 If a notice of pending status (see Section 63-504.24) is sent, the CWD shall notify the household of the action it must take to complete the application process, and that if the household does not take the required action within 60 days of the date the application was filed, its application shall be denied and a new application must be submitted if the household wishes to participate in the Food Stamp Program.

(a) However the CWD shall give the household an additional 30 days to take the required action, except that if verification is lacking has not been provided, the CWD has the option of holding pending the application pending for only 30 days following the date of the initial request for the particular verification that was is missing.

(b) If the household fails to take the required action by the date specified on the pending notice, the CWD shall deny the application without providing further notice to the household.

•4223 If the household was at fault for the delay in the first 30-day period, but responds and is found determined to be eligible during the second 30-day period, the CWD shall provide benefits only from the first of the month following the month of application. The household is not entitled to benefits for the month of application when the delay was the fault of the household.

•424 If the household responds and is determined ineligible during the second 30-day processing period, the CWD shall deny the application and provide the household with a denial notice.

•43 Delays Caused By the CWD

•431 Whenever a delay in the initial 30-day application processing period is the fault of the CWD, the CWD shall take immediate corrective action. The CWD shall not deny the application if it caused the delay, but shall instead continue to process the application and notify send the household a notice of pending status (DFA 377.1) by the 30th day following the date the application was filed informing the household that its application is being held pending.

(a) If the case file is not complete enough to determine eligibility, the CWD shall also notify send the household a notice of pending status (DFA 377.1) of any indicating the action it must take to complete the application process, as described in Section 63-301.422.

(b) If the household fails to respond, the CWD shall take action on the application during the second 30-day processing period as provided in Sections 63-301.422(a) and (b).

If verification is lacking the CWD has the option of holding the application pending for only 30 days following the date of the initial request for the particular verification that was missing.

•432 If the household is found to be determined eligible during the second 30-day period, the household CWD shall be eligible to receive any provide benefits to which it is entitled retroactive to the month date of the application. If, however, the household is found to be determined ineligible during the second 30-day processing period the application shall be denied and the CWD shall provide the household with a denial notice (DFA 377.1). (See Table II on Delayed Actions.)

•44 Delays Beyond 60 Days

•441 If the CWD is at fault for not completing the application process by the end of the second 30-day period, and the case file is otherwise complete, the CWD shall continue to process the original application and any supplemental

information provided by the household until an eligibility determination is reached made.

(a) If the household is determined eligible, the CWD shall provide benefits to the household as follows:

(1) If and the CWD was at fault for the delay in the initial 30-days period, the household shall receive benefits retroactive to the month date of application.

(2) However if the initial delay was the household's fault, the household shall receive benefits retroactive only to the first of the month following the month of application.

(b) The EWD may use the original application to determine the household's eligibility and any supplemental information provided by the household in response to the Notice of Pending Status (DFA 377.1) or Notice of Denial (DFA 377.1) sent in the second 30-day period (see Section 63-397-421). If the household is determined ineligible, the CWD shall deny the application and provide the household with a denial notice (DFA 377.1).

.442 If the CWD is at fault for not completing the application process by the end of the second 30-day period, but the case file is not complete enough to reach an determine eligibility determination, the CWD shall continue to pend the case process the original application and notify the household what information is needed that the application is pending (DFA 377.1), and the action it must take to complete the application process. The household shall also be advised of its possible entitlement to retroactive benefits test as a result of the CWD's failure to process the application in the second 30-day period. If the EWD was also at fault for the delay in the initial 30 days, the amount of benefits lost would shall be calculated from the month of application. If however the household was at fault for the initial delay, the amount of benefits test would be calculated from the month following the month

of applications as specified in Section 63-301.441(a).

(a) The CWD shall allow the household at least 10 days to take the required action specified on the pending notice, except as specified below:

(1) If the CWD has chosen the option of holding the application pending only until 30 days following the date of the initial request for the particular verification that was missing, and verification is not received by that 30th day, the CWD may deny the application without further notice to the household.

(b) If the household fails to take the required action specified on the pending notice, the CWD shall deny the application without further notice to the household.

•443 If the household is at fault for not completing the application process by the end of the second 30-day period, the CWD shall deny the application and require the household to file a new application if it wishes to participate. If however, the CWD has chosen the option of holding the application pending only until 30 days following the date of the initial request for the particular verification that was missing, and verification is not received by that 30th day, the CWD may immediately ~~else~~ deny the application. A Notice of Denial need not be sent if the Notice of Pending Status informed the household that it would have to file a new application if verification was not received within 30 days of the initial request. The household shall not be entitled to any lost benefits, even if the delay in the initial 30 days was the fault of the CWD.

•5 Expedited Service (Continued)

•53 Processing Standards (Continued)

•533 Out-of-Office Interviews

* special procedure is established for households entitled to both expedited service and a waiver of

the office interview. If a household mails an application and it contains sufficient information to indicate that the household is entitled to expedited service and out of office certification, the CWD shall conduct the interview (unless the household cannot be reached), and complete the application process within the expedited service standards, as specified in Section 63-301.5. The first day of the count is the first calendar day following the filing of the application. If the application is not complete, and the CWD conducts a telephone interview of the applicant, the CWD shall mail the application to the household for signature. The mailing time involved shall not be calculated in the expedited service standards. Mailing time shall only include the days the application is in the mail to and from the household and the days the application is in the household's possession pending signature and return mailing.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 18901, 18902, and 18904, Welfare and Institutions Code; and 7 CFR 273.2(h)(2), (3), and (4); 273.10(g)(1)(ii) and (iii); and 273.21(i)(3)(iii).

Renumber Sections 63-402.131, .132, .133, .134, .135, .14, and .15 to 63-402.141, .142, .143, .144, .145, .15, and .16, respectively; renumber the last sentence in Section 63-402.13 to .14; and amend Sections 63-402.12, .13, and .141 through .145 to read:

63-402 HOUSEHOLD CONCEPT (Continued)

63-402

.1 Household definition (Continued)

- 12 An individual living with others, but customarily purchasing food and preparing meals for home consumption separate and apart from the others~~s~~ except as otherwise specified in Section 63-402.14;
- 13 A group of individuals who live together and customarily purchase food and/or prepare meals together for home consumption, ~~s~~ except that parents and their children of any age~~s~~ who live together shall be treated as a single household, even if they do not customarily purchase and prepare their meals together for home consumption, unless at least one of the parents is elderly or disabled as defined in Section 63-102~~fit~~;
- 14 In no event shall separate household status be granted to:
 - 1341 ~~c~~Children under 18 years of age living with a member of the household under the who has parental control, as defined in Section 63-102; ~~q~~ and living with a member of the household
 - 1342 ~~p~~Parents living with their natural, adopted or step children, or children living with their natural, adopted, or step parents unless at least one parent is elderly or disabled as defined in Section 63-102~~(te)~~;
 - 1343 ~~a~~An individual living with the household who is a spouse of a member of the household ~~as defined in Section 63-102(ws);~~
 - 1344 ~~a~~A boarder, as defined in Section 63-402.3;
 - 1345 ~~s~~Siblings living with their natural, adopted, half- or step brothers and/or sisters, except any sibling who is elderly or disabled, as defined in Section 63-102~~(te)~~.

•145 A woman or woman with children who are temporary residents of a shelter for battered women and/or children.

•156 (Continued)

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 18901, 18902, and 18904, Welfare and Institutions Code ; and 7 CFR 273.1(a) and (f).

Amend Section 63-403.31 to read; and Sections 63-403.311 and .312 have been renumbered to 63-300.532(a) and (b); amend Section 63-403.321 to read; Sections 63-403.321a. and b. have been renumbered to 63-300.512(a) and (b); Sections 63-403.32 through .327 have been renumbered to 63-300.512(c) through (h); amend Section 63-403.334; and Sections 63-403.341 through .348 have been renumbered to Sections 63-300.518(a) through (g), respectively, to read:

63-403 CITIZENSHIP AND ALIEN STATUS (Continued)

63-403

.3 Verification

.31 Verification of Citizenship

Verification of citizenship shall not be required except in questionable cases which affect a household's eligibility or benefit level. To be considered questionable, the information on the application must be inconsistent with statements made by the applicant, inconsistent with other information on the application or previous applications, or inconsistent with information received by the county welfare department. Requirements for verification of citizenship are addressed in Section 63-300.532.

.32 Verification of Alien Status

.321 Based on the application, the CWD shall determine if members identified as aliens are eligible aliens, as defined in Sections 63-403.12 through .18, by requiring that the household present verification for each alien member. Under no conditions shall an alien receive food stamp benefits pending receipt of verification of eligible alien status by the CWD. Requirements for the verification of alien status are addressed in Section 63-300.512.

63-403 CITIZENSHIP AND ALIEN STATUS (Continued)

63-403

.3 Verification (Continued)

.33 Responsibilities of Sponsored Aliens (Continued)

.334 The date of the sponsored alien's entry or admission as a lawful permanent resident as established by INS. Requirements for the verification of information regarding sponsored aliens are specified in Section 63-300.518.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 18901, and 18904, Welfare and Institutions Code; and 7 CFR 273.2(f)1)(ii), 273.2(f)(2)(ii).

Amend Sections 63-501.3(a) through (j) to read:

63-501 RESOURCE DETERMINATIONS (Continued)

63-501

.3 Exclusions from Resources (Continued)

(a*) (Continued)

(b*) (Continued)

(c*) (Continued)

(d*) (Continued)

(e*) (Continued)

(f*) Installment contracts for the sale of land or buildings if the contract or agreement is producing income consistent with its fair market value. The exclusion shall also apply to the value of the property sold under the installment contract, or held as security in exchange for a purchase price consistent with the fair market value of that property.

The full value of trust deeds and notes receivable shall be considered exempt liquid resources provided that the household receives income from the trust deed or note receivable that is commensurate consistent with its fair market value. ~~unless there is reason to question the appropriateness or legitimacy of a business transaction~~ it is generally not necessary to determine whether the trust deed or note receivable is producing income ~~consistent with its fair market value~~. The interest portion of the repayment of these transactions shall be counted as unearned income to the household in accordance with Section 63-502.125. The principal portion of the repayment shall be treated as a ~~nonexempt~~ countable nonexcluded resource and added to the household's resource level. If the payments are for interest only, then it ~~must~~ shall be determined whether that amount represents an appropriate rate of return on the transaction ~~7% minimum~~.

If the EW CWD determines the rate of return is not commensurate consistent with interest rates normally charged in similar business transactions, then the resource shall not be exempted. Installment contracts, trust deeds, and notes receivable shall lose their exempt status when sold.

(g) Any governmental payments which are designated for the restoration of a home damaged in a disaster, if the household is subject to a legal sanction if the funds are not used as intended. for example, Such payments shall not be limited to those made by the Department of Housing and Urban Development through the individual and family grant program, or disaster loans, or grants made by the Small Business Administration.

(h) Resources whose cash value is not accessible to the household, such as but not limited to, irrevocable trust funds, security deposits on rental property or utilities, property in probate, and real property which the household is making a good faith effort to sell at a reasonable price and which has not been sold. The county welfare department may verify that the property is for sale and that the household has not declined a reasonable offer. Verification if questionable, as defined in Section 63-300.53, shall may be obtained through a collateral contact or documentation, such as an advertisement for public sale in a newspaper of general circulation or a listing with a real estate broker. Any funds in a trust or transferred to a trust, and the income produced by that trust, shall be considered inaccessible to the household if all of the following are met:

(1) The trustee administering the funds is either:

- (A) a court, or an institution, corporation or organization which is not under the direction or ownership of any household members; or,
- (B) an individual appointed by the court who has court imposed limitations placed on his/her use of the funds which meet the requirements of this section 63-501.3(h);

(2) The funds held in irrevocable trust are either:

- (A) Established from the household's own funds if the trustee uses the funds solely to make investments on behalf of the trust or to pay the educational or medical expenses of any person named by the household creating the trust; or,

- (B) Established from non-household funds by a non-household member regardless of how these funds will be used;
- (3) The trust investments do not directly involve or assist any business or corporation under the control, direction or influence of a household member;
- (4) The trust arrangement will not likely cease during the certification period; and,
- (5) No household member has the power to revoke the trust arrangement or change the name of the beneficiary during the certification period.

(i*) Resources, such as those of students or self-employed persons, which have been prorated as income. The treatment of student income is explained in 63-503.223 and the treatment of self-employment income is explained in 63-503.415. (See Section 63-503.212(b) on determining and averaging income and Section 63-503.41 on the treatment of self-employment income.)

(1) (Continued)

(j*) Indian lands held jointly with the Tribe, or land that can be sold only with the approval of the Department of the Interior's Bureau of Indian Affairs; and,

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 18901, 18902 and 18904, Welfare and Institutions Code; and 7 CFR 273.8(e)(6), (7), (8), and (9).

Amend Section 63-501.3k.; repeal and adopt Section 63-501.3(k)(6); repeal Section 63-501.3(k)(8); amend Sections 63-501.3(k)(1), (2), (3), (4), (5), and (7) and renumber Sections 63-501.3(k)(9), (10), and (11) to (8), (9), and (10), respectively, and amend to read:

63-501 RESOURCE DETERMINATIONS (Continued)

63-501

•3 Exclusions from Resources (Continued)

{k*} (Continued)

- (1) Payments received under the Alaska Native Claims Settlement Act (Public Law 92-203, Section 21(a) or the Sac and Fox Indian claims agreement (Public Law 94-189);
- (2) Payments received by certain Indian tribal members under Public Law 94-114, Section 6, regarding submarginal land held in trust by the United States;
- (3) Benefits received from the special supplemental food program for women, infants and children (WIC) (Public Law 92-443, Section 9);
- (4) Reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970 (Public Law 91-646, Section 216);
- (5) Earned income tax credits received before January 1, 1980, as a result of Public Law 95-600 the Revenue Act of 1978. Monies received from payment of this credit will be excluded regardless of the date received so long as the household was entitled to the credit prior to January 1, 1980.
- (6) Payments received from the youth incentive entitlement pilot projects, the youth community conservation and improvement projects, and the youth employment and training programs under Title IV of the Comprehensive Employment and Training Act amendments of 1978 (Pubs. L. 95-524).
- (6) Allowances, earnings and payments to individuals in programs specified under the Job Training Partnership Act of 1982 (Public Law 97-300).

(7) Payments or allowances made under any federal, state or local laws for the purpose of energy assistance, i.e., Low Income Energy Assistance Program (EAP) and Energy Crisis Assistance Program (ECAP). These payments or allowances must be clearly identified as energy assistance by the legislative body authorizing the program or providing the funds.

(8) Payments from the Crisis Intervention Program (CIP) administered by the Community Services Administration (CSA).

(9) Payments received from the disposition of funds to the Grand River Band of Ottawa Indians (Public Law 94-540).

(10) Payments received by the Confederated Tribes and Bands of the Yakima Indian Nation and the Apache Tribe of the Mescalero Reservation from the Indian Claims Commission (Public Law 94-433, Section 2).

(11) Payments to the Passamaquoddy Tribe and the Penobscot Nation or any of their members received pursuant to the Maine Indian Claims Settlement Act of 1980 (Public Law 96-420, Section 5).

(12) Payments of relocation assistance to members of the Navajo and Hopi Tribes (Public Law 93-531).

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 18901, and 18904, Welfare and Institutions Code; and 7 CFR 273.8(e)(11).

Amend Sections 63-501.42 and .43 to read:

63-501 RESOURCE DETERMINATIONS (Continued)

63-501

.4 Handling of Excluded Funds (Continued)

- .42 For Resources of students and self-employed households, members which are excluded funds as provided in accordance with Section 63-501.3(i) which and are commingled in an account with nonexcluded funds, shall retain their exclusion only for the period of time over which they have been prorated as income.
- .43 For all other recipients, excluded funds excluded as resources which are commingled in an account with nonexcluded funds shall retain their exemption only for six months from the date they are commingled. After six months from the date of commingling, all funds in the commingled account shall be counted as a resource.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; and 7 CFR 273.8(f).

Adopt Section 63-501.5; repeal and adopt Section 63-501.514 (Handbook); amend Section 63-501.51; and renumber and restructure Section 63-501.51 to .511 and .513 and amend; and adopt Section 63-501.512 to read:

63-501 RESOURCE DETERMINATIONS (Continued)

63-501

.5 Resource Values

The value of nonexcluded resources, except licensed vehicles as specified in Section 63-501.52, shall be their equity value. The equity value is the fair market value less encumbrances.

.51 Fair Market Value of Licensed Vehicles.

.511 The fair market value of licensed automobiles, trucks and vans ~~will~~ shall be determined by the value of those vehicles as listed in publications written for the purpose of providing guidance to automobile dealers and loan companies. Publications listing the value of vehicles are usually referred to as "blue books". The county welfare department CWD shall insure that the blue book used to determine the value of licensed vehicles has been updated within the last six months. The county welfare department CWD shall assign the wholesale value to vehicles. If the term "wholesale value" is not used in a particular blue book, the county welfare department CWD shall assign the listed value which is comparable to the wholesale value. The county welfare department CWD shall not increase the basic value of a vehicle by adding the value of low mileage or other factors such as optional equipment or special equipment for the handicapped. If a new vehicle is not yet listed in the blue book, the county welfare department CWD shall determine the wholesale value through some other means, such as contacting a car dealer which sells that make of vehicle and asking how much the dealership would offer the household for the car.

.512 To determine the most appropriate value of a vehicle, the CWD shall obtain from the applicant and/or the vehicle's registration card, the vehicle's year, make, model, and number of doors. If the information for these four items is incomplete, the CWD shall use the lowest blue book

value listed to the extent that the vehicle has been identified.

.513 A household may indicate that for some reason, such as body damage or inoperability, a vehicle is in less than average condition. Any household which claims that the blue book value does not apply to its vehicle shall be given the opportunity to acquire verification of the true value from a reliable source. Also, households shall be asked to acquire verification of the value of licensed antique, custom made, or classic vehicles, if the county welfare department CWD is unable to make an accurate appraisal. If a vehicle is no longer listed in the blue book, the household's estimate of the value of the vehicle shall be accepted, unless the county welfare department CWD has reason to believe the estimate is incorrect. In that case, and if it appears that the vehicle's value will affect eligibility, the household shall obtain an appraisal or produce other evidence of its value, such as a tax assessment or a newspaper advertisement which indicates the amount for which like vehicles are being sold.

In determining the most appropriate value of a vehicle the EH should obtain the following information from the applicant and/or from the vehicle registration card to the extent possible:

f17 Year

f27 Make

f37 Model

f47 Number of doors

If the information is incomplete for the four items above, use the lowest value listed to the extent that the vehicle has been identified.

•514

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; and 7 CFR 273.8(g).

Repeal and adopt Section 63-501.52; amend Section 63-501.522; renumber example in Section 63-501.522 as .522(a) in Handbook; amend Section 63-501.523; renumber example in Section 63-501.524 as .524(a) in Handbook; and place Section 63-501.525 in Handbook to read:

63-501 RESOURCE DETERMINATIONS (Continued)

63-501

.5 Resource Values (Continued)

.52 Handling of Licensed Vehicles.

The value of licensed vehicles of household members shall be excluded or counted as a resource as specified in Sections 63-501.521 through .524. The provisions for excluding or counting licensed vehicles shall also apply to ineligible aliens or disqualified individuals whose resources are considered available to the household, in accordance with Section 63-503.44, and unlicensed vehicles on those Indian reservations that do not require vehicles driven by tribal members to be licensed. (See Table I, Determining Value of Licensed Vehicles)

Licensed vehicles of household members, ineligible aliens or disqualified persons whose resources are considered available to the household and unlicensed vehicles of Indians on reservations that do not require vehicles driven by tribal members to be licensed shall be excluded or counted as a resource as follows:

.521 (Continued)

.522 All licensed vehicles not excluded under Section 63-501.521 shall individually be evaluated for fair market value and that portion of the value which exceeds \$4,500 shall be attributed in full toward the household's resource level, regardless of any encumbrances on the vehicles. For example, a household owning an automobile with a fair market value of \$5,500 shall have \$1,000 applied towards its resource level. Any value in excess of \$4,500 shall be attributed to the household's resource level, regardless of the amount of the household's investment in the vehicle, and regardless of whether or not the vehicle is used to transport household members to and from employment. Each vehicle shall be appraised individually. The fair market values of two or

more vehicles shall not be added together to reach a total fair market value in excess of \$4,500.

(a) For example, a household owning an automobile with a fair market value of \$5,500 shall have \$1,000 applied toward its resource level.

•523 Licensed vehicles shall also be evaluated for their equity value, except for:

(a) Vehicles excluded in by Section 63-501.521.

(b) One licensed vehicle per household, regardless of the use of the vehicle;

(c) Any other licensed vehicles used to transport household members to and from employment or to and from training or education which is preparatory to employment, or to seek employment in compliance with the job search criteria. A vehicle customarily used to commute to and from employment shall be covered by this equity exclusion during temporary periods of unemployment. The equity value of licensed vehicles not covered by this exclusion, and of unlicensed vehicles not excluded by Section 63-501.3(c), (d) and (e), shall be attributed toward the household's resource level.

•524 In the event a licensed vehicle is assigned both a fair market value in excess of \$4,500 and an equity value, only the greater of the two amounts shall be counted as a resource. For example, a second car which is not used by a household member to go to work will be evaluated for both fair market value and for equity value. If the fair market value is \$5,000 and the equity value is \$1,000 the household shall be credited with only the \$1,000 equity value and the \$500 excess fair market value will not be counted.

(a) For example, a second car which is not used by a household member to go to work will be evaluated for both fair market value and for equity value. If the fair market value is \$5,000 and the equity value is \$1,000 the household shall be credited with only

the \$1,000 equity value, and the \$500 excess fair market value will not be counted.

.525 In summary, each licensed vehicle shall be handled as follows: First it will be evaluated to determine if it is exempt as an income producer or as a home. If not exempt, it will be evaluated to determine if its fair market value exceeds \$4,500. If worth more than \$4,500, the portion in excess of \$4,500 for each vehicle will be counted as a resource. The vehicle will also be evaluated to see if it is equity exempt as the household's only vehicle or necessary for employment reasons. If not equity exempt, the equity value will be counted as a resource. If the vehicle has a countable market value of more than \$4,500 and also has a countable equity value, only the greater of the two amounts shall be counted as a resource.

.525 In summary, each licensed vehicle shall be handled as follows: First it will be evaluated to determine if it is exempt as specified in Section 63-501.521. If not exempt, it will be evaluated to determine if its fair market value exceeds \$4,500. If worth more than \$4,500, the portion in excess of \$4,500 for each vehicle will be counted as a resource. The vehicle will also be evaluated to see if it is equity exempt as the household's only vehicle or necessary for employment reasons. If not equity exempt, the equity value will be counted as a resource. If the vehicle has a countable market value of more than \$4,500 and also has a countable equity value, only the greater of the two amounts shall be counted as a resource.

Assign Table I designation and include section number and amend to read:

526

TABLE I DETERMINING VALUE OF LICENSED VEHICLES

Step 1	Step 2	Step 3
Totally exclude if:	Determine Fair Market Value*	Determine Equity* Value, If Not Exempt for the Following Reasons:
1. Income producing (over 50%)	1. Use "blue book" for wholesale basic value	1. Exempt under Step 1
2. Annually producing income consistent with FMV.	2. Use "blue book" for wholesale basic value.	2. Exempt under Step 1
23. Necessary to employment other than daily commuting, e.g., traveling salesman	23. If above cannot be used: household verification newspaper ad tax assessment other reliable sources	23. One car, regardless of use
3. Necessary for subsistence hunting and fishing		3. Used to accept or continue employment
4. Household home		4. Used to seek or attend training or education preparatory to employment
5. Used to transport a physically disabled household member		5. One car, per physically disabled household member

IF NOT OF THE ABOVE
GO TO STEP 2

COUNT ONLY THE
EXCESS OVER \$4500
FOR EACH VEHICLE
THEN GO TO STEP 3

IF THE FAIR MARKET
VALUE AND THE EQUITY
VALUE ARE DETERMINED
FOR ANY ONE VEHICLE,
ONLY THE GREATER OF
THE TWO AMOUNTS SHALL
BE COUNTED TOWARD THE
HOUSEHOLD'S RESOURCE
LIMITS

* **Equity value equals FMV less encumbrances.**

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; and 7 CFR 273.8(h)(4).

Amend Section 63-501.53 to read:

63-501 RESOURCE DETERMINATIONS (Continued)

63-501

.5 Resource Values (Continued)

.53 Handling of Unlicensed Vehicles.

Unlicensed vehicles not excluded by Sections 63-501.3(c), (d) and (e), and except those on Indian reservations as specified in Section 63-501.52 shall be evaluated for equity value only. The equity value shall be attributed toward the household's total resources.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; and 7 CFR 273.8(h)(3).

Renumber Section 63-502.1a) to .11, .111, and .112; amend Sections 63-502.11, .111, and .112; and repeal Section 63-502.1b) to read:

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS

63-502

.1 Income Definition

a) 11 Gross income shall mean include:

- .111 All income from whatever source, except as specified in Section 63-502.12 and excluding only those items in Section 63-502.2.
- .112 Gross income shall include All earned income as specified in Section 63-502.13 and all unearned income as specified in Section 63-502.124 and self-employment income less the cost of doing business as specified in Section 63-5034.

b) Net income is defined in Section 63-5033

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; and 7 CFR 273.9(b).

Renumber Sections 63-502.16, .161, and .162 to .12, .121, and .122, respectively; and amend Sections 63-502.121 and .122 to read:

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) 63-502

.1 Income Definition (Continued)

.162 Income shall not include the following:

- .1621 Monies withheld from an assistance payment, earned income, or other income source, or monies received from any income source which are voluntarily or involuntarily returned, to repay a prior overpayment received from that income source, provided that the overpayment was not excludable under Section 63-502.2, or specified in Section 63-502.157.
- .1622 Child support payments received by AFDC recipients, directly from a nonhousehold member, which must be transferred to the District Attorney's office or other county agency administering Title IV-D (Child Support Requirements) of the Social Security Act, as amended, to maintain AFDC eligibility.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code.

Renumber Section 63-502.11 to .13; renumber Sections 63-502.111 through .114 to .131 through .134, respectively; amend Sections 63-502.133 and .134; and adopt Section 63-502.135 to read:

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) 63-502

.1 Income Definition (Continued)

.113 Earned income shall include:

.1131 (Continued)

.1132 (Continued)

.1133 Training allowances from vocational and rehabilitative programs recognized by federal, state, or local governments, such as the work incentive program and programs authorized by the Comprehensive Employment and Training Act, to the extent they are not a reimbursement.

.1134 Payments to volunteers under Title I (VISTA, University Year for Action, etc.) of the Domestic Volunteer Service Act excluding payments made to households specified in Section 63-502.2 of 1973 Pub. L. 93-273 stat. as amended who at the time they joined VISTA, were not receiving public assistance or food stamps.

.135 Any portion of strikers' benefits which are received as compensation for picketing.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; and 7 CFR 273.9(b).

Renumber Sections 63-502.12 to .14; renumber and amend Section 63-502.121 to .141; renumber Section 63-502.122 to .142 and .143 and amend; renumber Sections 63-502.123 through .126 to .144 through .147; amend Sections 63-502.145 through .147; adopt Section 63-502.148; and renumber Section 63-502.2a.(3) to 63-502.149 and amend to read:

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) 63-502

.1 Income Definition (Continued)

.124 Unearned income shall include, but not be limited to:

- 1241 Assistance payments from federal or federally aided public assistance programs, such as Aid to Families with Dependent Children (AFDC)†, General Assistance (GA), programs, or other assistance programs based on need except as provided in Section 63-502.1‡1.
- 1242 Annuities; pensions; retirement, veteran's, or disability benefits; worker's or unemployment compensation; old-age, survivors, or social security benefits; strikers' benefits‡ except as provided in Section 63-502.135; foster care payments for children or adults;
- 143 Gross income minus the cost of doing business derived from rental property in which a household member is not actively engaged in the management of the property at least an average of 20 hours a week.
- 12344 Support or alimony payments made directly to the household from nonhousehold members, except as provided in Section 63-502.122.
- 1245 Scholarships, educational grants, fellowships, deferred payment loans for education, veteran's educational benefits and the like in excess of amounts excluded under Section 63-502.2e(d).
- 12546 Payments from government-sponsored programs, dividends, interest, royalties, and all other direct money payment from any source which can be construed to be a gain or benefit.
- 12647 Monies which are withdrawn or dividends which are or could be received by a household from an

excluded trust fund [see Section 63-501.3(h)]. Such trust withdrawals shall be considered income in the month received, unless otherwise exempt excluded under Section 63-502.2. Dividends which the household has the option of either receiving as income or reinvesting in the trust are to be considered as income in the month they became available to the household unless otherwise exempt excluded under Section 63-502.2.

•148 Reimbursements which exceed total expenses or which are intended to cover living expenses, such as food, rent, and clothing.

•149 Monies that are legally obligated and otherwise payable directly to the household, but which are diverted by the provider of the payment to a third party for a household expense shall be counted as income and not excluded as a vendor payment. The distinction is whether the person or organization making the payment on behalf of a household is using funds that otherwise would have to be paid to the household.

Such funds include wages earned by a household member and therefore owed to the household, a public assistance grant to which a household is legally entitled, and support or alimony payment in amounts which legally must be paid to a household member. If an employer, agency, or former spouse who owes these funds to a household diverts them instead to a third party to pay for a household expense, these payments shall still be counted as income to the household. However, if an employer, agency, former spouse, or other person makes payments for household expenses to a third party from funds that are not owed to the household, these payments shall be excluded as vendor payments. The distinction is illustrated by the following examples:

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; and 7 CFR 273.9(b)(2).

Renumber Sections 63-502.13, .131, and .132 to .15, .151, and .152, respectively; renumber Sections 63-502.14, .141, and .142 to .16, .161, and .162, respectively; renumber Section 63-502.15 to .17; and renumber Section 63-502.1(b) to 63-502.18 and amend to read:

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) 63-502

.1 Income Definition (Continued)

.135 (Continued)

.1351 (Continued)

.1352 (Continued)

.146 (Continued)

.1461 (Continued)

.1462 (Continued)

.157 (Continued)

~~.18 Net income shall mean gross income minus deductions, as specified in Section 63-502.3 and calculated in accordance with is defined in Section 63-503.31.~~

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; and 7 CFR 273.9(d) and 7 CFR 273.10(e).

Renumber Sections 63-502.2(a) and (a)(1) to Sections 63-502.2(a) and (b) and amend; repeal Section 63-502.2(a)(2); renumber Sections 63-502.2(a)(3)(A), (B), and (C) to (b)(1), (2), and (3); renumber Section 63-502.2(a)(3) to 63-502.149; renumber Sections 63-502.2(b), (c), (d), and (e) to 63-502.2(c), (d), (e), and (f), respectively:

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) 63-502

•2 Income Exclusions. Only the following items shall be excluded from household income:

(a) Any gain or benefit which is not in the form of money payable directly to the household, including nonmonetary or in-kind benefits, such as, but not limited to meals, clothing, public housing, or produce from a garden.

(1) For Example:

If the employer provides housing to an employee, the value of the housing shall not be counted as income.

(b) and ~~Vendor~~ payments. Money payments that are is not legally obligated payable directly to be paid to a the household, but are which is paid to a third party for a household expense are ~~Vendor~~ payments and are excludable as follows:

(i) A payment made in money on behalf of a household shall be considered a ~~Vendor~~ payment whenever by a person or organization outside of the household uses its own funds to make a direct payment to either the household's creditors or a person or organization providing a service to the household. For example, if a relative or friend who is not a household member pays the household's rent directly to the landlord, the payment is considered a ~~Vendor~~ payment and is not counted as income to the household. Similarly, rent or mortgage payments made to landlords or mortgagees by the Department of Housing and Urban Development (HUD) or by state or local housing authorities are other examples of ~~Vendor~~ payments, and are also excludable. Payments by a government agency to a child care institution to provide day care for a household member are also excludable as ~~Vendor~~ payments.

f-2 Payments in money that are not made to a third party, but are made directly to the household, are counted as income and are not excluded as a vendor payment.

f-3(1) Wages earned by a household member that are garnished or diverted by an employer, and paid to a third party for a household's expenses, such as rent, shall be considered as income. However, if the employer pays a household's rent directly to the landlord in addition to paying the household its regular wages, this rent payment shall be excluded as a vendor payment. In addition, if the employer provides housing to an employee, the value of the housing shall not be counted as income.

f-3(2) All or part of a public assistance grant which would normally be provided in a money payment to the household, but which is diverted to third parties or to a protective payee for purposes such as managing a household's expenses, shall be considered income to the household. However, payments by the CWD that would not normally be provided in a money payment to the household, and that are over and above normal public assistance grants, shall be excluded as a vendor payment if they are made directly to a third party for a household expense. This rule applies even if the household has the option of receiving a direct cash payment.

f-3(3) Deferred educational loans, grants, scholarships, fellowships, veterans' educational benefits, and the like that are provided to a third party on behalf of the household for living expenses such as rent or mortgage, personal clothing, or food eaten at home shall be treated as money payable directly to the household and not excluded as a vendor payment.

b-(c) (Continued)

c-(d) (Continued)

d-(e) (Continued)

e-(f) (Continued)

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; and 7 CFR 273.9(c).

Renumber and amend Sections 63-502.2f. and g. to (g) and (h), respectively; and renumber Section 63-502.2h. to (i) to read:

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) 63-502

•2 Income Exclusions (Continued)

f-(g) Monies received and used for the care and maintenance of a third-party beneficiary who is not a household member. If the intended beneficiaries of a single payment are both household and nonhousehold members, any identifiable portion of the payment intended and used for the care and maintenance of the nonhousehold member shall be excluded. If the nonhousehold member's portion cannot be readily identified, the payment shall be evenly prorated among the intended beneficiaries and the exclusion applied to the nonhousehold member's pro rata share or the amount actually used for the nonhousehold member's care and maintenance, whichever is less.

g-(h) The earned income (as defined in Section 63-502.11) of children who are members of the household, who are students at least half time, and who have not attained their 18th birthday. The exclusion shall continue to apply during temporary interruptions in school attendance due to semester or vacation breaks, provided the child's enrollment will resume following the break. If the child's earnings or amount of work performed cannot be differentiated from that of other household members, the total earnings shall be prorated equally among the working members and the child's pro rata share shall be excluded. Individuals are considered children for purposes of this provision if they are under the parental control, as defined in Section 63-102qq, of another household member.

h-(i) (Continued)

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code.

Renumber and amend Section 63-502.2i. and j. to (j) and (k), respectively; repeal Sections 63-502.2(k)(1), (2), and (4) through (12); renumber Sections 63-502.2(k)(3) to (k)(1) and (2) and amend to read:

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) 63-502

.2 Income Exclusions (Continued)

i-(1) The cost of producing self-employment income. The procedures for computing the cost of producing self-employment income are described specified in Section 63-503.415.

j-(k) Any income that is specifically excluded by any other federal statute from consideration as income for the purpose of determining eligibility for the Food Stamp Program. The following laws provide such an exclusion is the current listing of income excluded by federal statute:

- (1) Reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970 (Pub. L. 91-646, Section 216).
- (2) Payments received under the Alaska Native Claims Settlement Act (Pub. L. 92-203, Section 211).
- (31) Any payment to volunteers under Title II of the Domestic Volunteer Services Act, including but not limited to RSVP, and foster grandparents, and others, of the Domestic Volunteer Services Act of 1973 (Public Law 93-113), as amended.
- (32) Any payments under Title I of the Domestic Volunteer Services Act, including but not limited to VISTA of that Act (including payments from such Title I programs as VISTA, University Year for Action and Urban Crime Prevention Program) to volunteers shall be excluded for those individuals who were receiving food stamps or public assistance at the time they joined the Title I programs. In addition, those individuals who except that households which were receiving an income exclusion for a VISTA or other Title I subsistence allowance at the time of conversion to the Food Stamp Act of 1977 shall continue to receive an income exclusion for VISTA for the length of their volunteer contract in effect at

49
earned income tax credits received as a result of
PABTIE law 95-6004 the revenue act of 1978 which
are received before January 1 1980. Monies
executed regardless of the date received to
receive from payment of this credit will be

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94-5404-
the Grand River Band of Ottawa Indians tribe to
income derived from the disposition of funds to

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FNS program 5855
such payments of allowances has been approved by
consolidation as income provided the execution of
energy assistance shall be extended from
designed and made for the purpose of providing
tax credits under statute or notwithstanding any
addition any payments of allowances notwithstanding
for the purpose of energy assistance
payments of allowances made under any federal law

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employment and training act
that not any other payments under the
payments from the adults consequence of PSDs under
any of the Employment and Training Programs under training
yearly employment and training programs under title
conservation and promotion and the youth community
employment project the youth incentive
employment project the youth incentive
payments received from the youth incentive

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4547-
payments from the cities incentive program
to pay admitted by the community services

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effort in tradition tribes to 94-114-3670 for
the United States which is held in trust for
income derived from extra submargin and of

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payments specific in Section 63-501.3(k), shall be excluded as
for Section 63-501.3(k)], shall be excluded as

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income.
in time of conversion. Temporarily interruptions
in Food Stamp Program participation shall not
affect affect the exclusion once an intent
eligibility has been determined. has been
made New applicants who are not receiving PABTIE
assistance or food stamps at the time they joined
Vista shall have these volunteer payments included
as earned income.

as the household was entitled to the credit prior to January 1, 1980.

- +10+ Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation (Pub. L. 95-433).
- +11+ Payments to the Passamaquoddy Tribe and the Penobscot Nation or any of their members received pursuant to the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-420, Section 5).
- +12+ Payments of relocation assistance to members of the Navajo and Hopi Tribes (Public Law 93-531).

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; and 7 CFR 273.9(c).

Amend Section 63-502.33 to read; renumber the last sentence in Section 63-502.35 to .351; amend Sections 63-502.35 and .351; renumber Sections 63-502.351 through .355 to Sections 63-502.351(a) through (e) and amend to read:

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) 63-502

.3 Income Deductions (Continued)

.31 (Continued)

.32 (Continued)

.33 Excess Medical Costs

Excess medical costs are that portion of medical expenses in excess of the allowable amount per month as specified in Handbook Section 63-1101, excluding special diets, incurred by any household member who is elderly or disabled as defined in Section 63-102(fe). Spouses or other persons receiving benefits as a dependent of the disability recipient are not eligible to receive this deduction.

.34 (Continued)

.35 Shelter Costs*

Monthly shelter costs in excess of 50 percent of the household's income after all other applicable deductions in Sections 63-502.31, .32, .33, and .34 have been allowed. The shelter deduction shall not exceed the current maximum unless the household contains a member who is elderly or disabled as defined in Section 63-102(e).

.351 Shelter costs shall include only the following:

.351(a) Continuing charges costs for the shelter occupied by the household, including rent, mortgage, or other continuing charges costs leading to the ownership of the shelter such as loan repayments for the purchase of a mobile home, including interest on such payments.

.352(b) Property taxes, state and local assessments, and insurance on the structure itself, but not separate costs for insuring furniture or personal belongings.

~~-353(c)~~ The cost of heating and cooking fuel; cooling and electricity; water and sewerage; garbage and trash collection fees; the basic service and rental fee for one telephone, including tax on the basic fee; and fees charged by the utility provider for initial installation of the utility. One-time deposits shall not be included as shelter costs.

~~-354(d)~~ The shelter costs for the home if temporarily not occupied by the household because of employment or training away from home, illness, or abandonment caused by natural disaster or casualty loss. For costs of a home vacated by the household to be included in the household's shelter costs, the household must intend to return to the home; the current occupants of the home, if any, must not be claiming the shelter costs for food stamp purposes; and the home must not be leased or rented during the absence of the household. Note: Verification of shelter expenses of homes located outside the county shall be the responsibility of the household.

~~-355(e)~~ Charges Costs for the repair of the home which was substantially damaged or destroyed due to a natural disaster such as a fire or flood. Shelter costs shall not include charges costs for repair of the home that have been or will be reimbursed by private or public relief agencies, insurance companies, or from any other source.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; and 7 CFR 273.9(d)(5).

Renumber Section 63-502.36 to .352; renumber Section 63-502.361 through .365 to (a) through (e) respectively and renumber subsections accordingly as shown; amend Sections 63-502.352(b), (c), (d)(2), and (e) to read:

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) 63-502

.3 Income Deductions (Continued)

.35 (Continued)

.3652 Standard Utility Allowance

.3652(a) (Continued)

(a1) (Continued)

(b2) (Continued)

(2A) (Continued)

(2B) (Continued)

(3C) (Continued)

(4D) (Continued)

(5E) (Continued)

(e3) (Continued)

(d4) (Continued)

.3652(b) A state standard telephone deduction of \$6 shall be used only in instances where the household has a telephone and is not entitled to the overall standard utility allowance SUA. If the household's actual telephone service fee is greater than the \$6 standard telephone deduction, and it represents the lowest available rate to the household, the household may request to have the actual service fee used. The household must be able to verify the actual cost claimed. Failure to have a telephone will not preclude use of the full standard utility allowance SUA. The standard telephone deduction will apply to

households which are not entitled to claim the overall standard utility allowance SUA but which nonetheless incur separate telephone expenses.

*363(c) Except as provided in Section 63-502.3652(b), the household entitled to the SUA shall be advised at initial certification and recertification that it may, instead of using the SUA, deduct its total actual utility costs if the household can verify these costs. The CWD shall also advise the household that it has the right to switch between actual utility costs and the SUA at each recertification and one additional time during each 12-month period.

*364(d) (Continued)

(a1) (Continued)

(b2) The percentage change to be determined shall be for a 12-month period ending with June of the preceding year for which the cost-of-living adjustment will take effect. The SUA in effect during the month of January preceding the calendar year in which the adjustment is to take place will be increased by the 12-month percentage change, with the resulting SUA to be rounded to the nearest dollar. The result shall constitute the new SUA (see Handbook Section 63-1101-5).

*365(e) When the SUA is revised due to the annual adjustments, it shall be applied to all households on the effective date of the revised SUA (see Handbook Section 63-1101-5). The change to the new SUA shall not be considered a switch from the actual amounts to the SUA for purposes of Section 63-502.3532(c).

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; and 7 CFR 273.9(d)(5).

Amend Sections 63-503.232(d), .311, .312, .323, and .48 to read as follows:

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS (Continued) 63-503

•2 (Continued)

•23 (Continued)

•232 (Continued)

(d) Discontinued Income

For the purposes of this section, discontinued income is ~~fit~~ any income that a household received in a beginning month from a source that no longer provides income to the household, in the corresponding retrospectively budgeted month and which was included in the household's prospective budget shall be disregarded when computing benefits for the issuance month except as specified in Section 63-503.232(d)(1)(A). The EWB shall not disregard income which has been discontinued for the following reasons except when the ~~fit~~ income has been discontinued due to participation in a strike or, a household member other than the primary wage earner voluntarily quitting a job unless without good cause has been determined in accordance with Section 63-408.34.

(1) In a Beginning Month

Discontinued income which was included in the household's prospective budget shall be disregarded when the beginning month in which the income stops becomes the budget month.

(2) After the Beginning Months

For households receiving a CWD paid grant in the issuance month, the EWB discontinued income from the

corresponding budget month shall be disregarded income received in the budget month from a source that no longer provides income to the households in the corresponding issuance month, provided the household has reported the termination of the income on the monthly report for the budget month in which the termination occurred. If, however, the household failed to report this information on the monthly report but does so or in some other manner, and there is the CWD has sufficient time the CWD shall to process the change and affect the allotment in the corresponding issuance month corresponding to the budget month in which the income stopped.

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS (Continued) 63-503

.3 Calculating Net Income and Benefit Levels (Continued)

.31 Net Monthly Income (Continued)

- .311 To determine a household's net monthly income, unless the household contains a member who is elderly or disabled as defined in Section 63-102(te), the CWD shall:
- .312 To determine the net monthly income of a household that includes a member who is elderly or disabled as defined in Section 63-102(te) the EW CWD shall:
(Continued)

.32 Eligibility and Benefits (Continued)

- .322 (Continued)
- .323 To determine the eligibility of a household in which all members are elderly or disabled as defined in Section 63-102(te), the CWD shall apply the net monthly income eligibility standards, as specified in Section 63-503.322. (Continued)

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS (Continued) 63-503

•4 Households with Special Circumstances (Continued)

•48 Residents of group living arrangements who receive benefits under Title II of the Social Security Act. (Continued)

•486 The provisions of Section 63-503.476 shall also apply to all group living arrangements.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 18901, 18902 and 18904, Welfare and Institutions Code; and 7 CFR 273.11(f)(6) and 273.21(g)(4).

Amend Section 63-504.343(b) to read:

63-504 HOUSEHOLD CERTIFICATION AND CONTINUING ELIGIBILITY 63-504
(Continued)

•3 Monthly Reporting (Continued)

•34 CWD Action on a Complete CA 7 Requiring Additional Verification/Information (Continued)

•343 The CWD shall contact the household as needed to obtain further information on specific items. These items include, but are not limited to:

- (a) The effect of a reported change in resources on a household's total resources; and
- (b) The effect of a reported change in household composition or loss of job or source of earned income on the applicability of the work registration or voluntary quit requirements.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: 7 CFR 273.7(n)

Amend Section 63-504.45 to read:

63-504 HOUSEHOLD CERTIFICATION AND CONTINUING 63-504
 ELIGIBILITY (Continued)

•4 Effecting Changes for Nonmonthly Reporting Households
(Continued)

•45 Failure to Report

If the CWD discovers that the household failed to report a change as required by Section 63-505.5 and, as a result, received benefits to which it was not entitled, the CWD shall file a claim against the household, in accordance with Section 63-801. If the discovery is made within the certification period and the household's benefits are reduced or terminated the CWD shall provide the household with a timely notice of adverse action (DFA 377.4). A household shall not be held liable for a claim because of a change in household circumstances which it is not required to report, in accordance with Section 63-505.5. Individuals shall not be disqualified for failing to report a change unless the individual is disqualified, in accordance with the fraud intentional program violation disqualification procedures specified in Section 63-805.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 18901, 18902 and 18904, Welfare and Institutions Code.

Amend Section 63-504.512 to read:

63-504 HOUSEHOLD CERTIFICATION AND CONTINUING 63-504
 ELIGIBILITY (Continued)

•5 Certified Monthly Reporting Households Applying for Aid in a
New County (Continued)

•51 (Continued)

•512 The CWD shall assist all households, as specified
in Sections 63-103.21(i)(8) and 63-300.565, in
obtaining any missing verification which the
household had provided to the county or state in
which the household was previously certified.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and
Institutions Code.

Reference: Sections 10554, 18901, 18902 and 18904, Welfare
and Institutions Code.

Amend Section 63-604.1, .2, .3, and .6, and adopt new Section 63-604.8 to read:

63-604 USE OR REDEMPTION OF COUPONS BY ELIGIBLE HOUSEHOLDS

63-604

.1 Eligible Food

A household member should sign each coupon book issued to the household. The coupons may be used only by the household or other persons the household selects, an authorized representative to purchase eligible food for the household. Uncanceled and unendorsed coupons of \$1 denomination, returned as change by authorized retail food stores, may be presented as payment for eligible food. All other detached coupons may be accepted only if accompanied by the coupon book which bears the same serial number as the detached coupons. It is the right of the household or the authorized representative to detach the coupons from the book.

.2 Meals-on-Wheels

Eligible Food Stamp Program household members 60 years of age or over or Food Stamp Program household members who are housebound, physically handicapped, or otherwise disabled to the extent that they are unable to adequately prepare all their meals, and their spouses, may use coupons to purchase meals prepared for and delivered to them by a nonprofit meal delivery service authorized by FNS.

.3 Communal Dining

Eligible Food Stamp Program household members 60 years of age or over and their spouses may use coupons issued to them are eligible to use coupons to purchase meals at communal dining facilities to purchase meals prepared especially for them at communal dining facilities authorized by FNS for that purpose.

.4 (Continued)

.5 (Continued)

.6 Prior Payment Prohibition Exchange of Coupons for Eligible Food (Continued)

.7 (Continued)

.8 Return of Coupons

A household may redeem properly issued coupons at any authorized retail store even if the household is not currently eligible to participate in the Food Stamp Program. In the event of voluntary termination of participation in the program by a household, coupons may be returned to the CWD. The CWD shall complete the appropriate sections of the FNS 35 in accordance with the Fiscal Management and Control Handbook Section 25-1050.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; and 7 CFR 274.10.

Amend Section 63-605.317 to read:

63-605 COUPON/ATP REPLACEMENTS (Continued)

63-605

.3 CWD Responsibilities (Continued)

.31 Replacement Procedures. For replacement of an ATP, food coupons or value of food destroyed, the CWD shall:
(Continued)

.317 If the replacement is denied, provide the household with Notice of Action Change (DFA 377.4) within 10 days after the signed DFA 303 has been received.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code.

Amend Section 63-804.613 to read:

63-804 STATE HEARINGS (Continued)

63-804

.6 Continuation of Benefits (Continued)

.61 Request for Continuation of Benefits (Continued)

.613 If the request for a hearing is not made within the appropriate time frame, as specified in Section 63-804.62, the CWD shall take no action to continue the household's benefits at the prior level. However, if the household establishes that its failure to make the request within the appropriate time frame was for good cause, in accordance with Section 22-053.145, the CWD shall reinstate the benefits to the prior level.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code.

Amend Section 63-805.3 to read:

63-805 INTENTIONAL PROGRAM VIOLATION DISQUALIFICATION 63-805
(Continued)

•3 Reversed Administrative Disqualifications.

In cases where the determination of intentional Program violation is reversed by a court of appropriate jurisdiction, the CWD shall reinstate the individual in the Food Stamp Program if the household is eligible. The CWD shall restore benefits that were lost as a result of the disqualification in accordance with the procedures specified in Section 63-802.615.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code.

FACE SHEET

SUBMITTED FOR REVIEW

JUN 0 1987

OFFICE OF ADMINISTRATIVE LAW

END

APPROVED FOR

JUL 02 1987

Office of Administrative Law

For use of Office of Adm Law

FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE OFFICE OF ADMINISTRATIVE LAW

CERTIFICATION: I hereby certify that the attached are true and correct copies of regulations adopted, amended or repealed by this agency and that the information specified on this Face Sheet is true and correct.

DEPARTMENT OF SOCIAL SERVICES

(AGENCY)

Lis. Clark

AGENCY OFFICER WITH RULEMAKING AUTHORITY

Date: 5-19-87

FILED

In the office of the Secretary of State
of the State of California

JUL 2 1987

At 4:27 o'clock P.M.

MARCH FONG EU, Secretary of State

By *John Bate*

Deputy Secretary of State

For use by Secretary of State only

1. AGENCY CONTACT PERSON FOR THIS FILING
(See instructions)

Rosalie Clark, Chief

Regulations Development Bureau

TELEPHONE

445-0313

2. Type of filing. (check one)

30-day Review

Emergency

Certificate of Compliance
(Complete Part 4 below)

Regulatory changes resulting from Govt. Code 11349.7 review (Complete Part 6 below)

Nonsubstantive changes with nonregulatory effect Printing-Error Correction

3. a. Specify California Administrative Code title and sections as follows:

Title MPP

SECTIONS ADOPTED: 63-206, 052

SECTIONS AMENDED:

63-102, 103, 701, 702, 704, 705, 706, 707, and 708.

SECTIONS REPEALED:

63-703

b. The following sections listed in 3a contain modifications to the text originally made available to the public:

4. CERTIFICATE OF COMPLIANCE (Government Code Section 11346.1(e): The above-named agency officer certifies that this agency complied with the provisions of Government Code Sections 11346.4-11346.8. (Check one)

prior to the emergency adoption
 within 120 days of the effective date of the emergency adoption of the above-referenced regulations.

5. Is this filing a resubmittal of a previously disapproved or withdrawn regulation?

No Yes, if yes, give date(s) of prior submittal(s) to OAL: January 16, 1987

6. Is the filing submitted to carry out amendments or repeals identified in the statement of review completion submitted as a result of the agency's review of regulations administered by it as of June 30, 1980?

No Yes, if yes, give date statement was submitted to OAL

7. If these regulations required prior review and approval or concurrence by any of the following agencies, check appropriate box(es)

Fair Political Practices Commission
(Include FPPC approval stamp)

Building Standards Commission
(Attach approval)

State Fire Marshall (Attach approval)

Department of Finance (Attach properly signed Std. 399)

Other _____

(SPECIFY AGENCY)

8. a. PUBLICATION DATE OF NOTICE IN CALIFORNIA
ADMINISTRATIVE NOTICE REGISTER

August 29, 1986

b. DATE OF FINAL AGENCY ACTION

MAY 19, 1987

c. DATES OF AVAILABILITY OF MODIFIED REGULATION(S) (GOVT. CODE SEC. 11346.8(c))

May 1, 1987 - May 15, 1987

9. Effective date of regulatory changes: (See Government Code Section 11346.2 and instructions on reverse)

a. Effective 30th day after filing with the Secretary of State.

b. Effective upon filing with the Secretary of State.

c. Effective on _____ as required or allowed by the following statute(s): _____

d. Effective on _____ (Designate effective date *earlier than* 30 days after filing with the Secretary of State pursuant to Govt. Code Sect. 11346.2(d).)

Attach request demonstrating good cause for early effective date. Request subject to OAL approval.

e. Effective on _____ (Designate effective date *later than* the normal effective date for the type of order filed.)

INSTRUCTIONS FOR STD 400

Completed Face Sheet for Filing Regulations with the Office of Administrative Law must be attached to the front of each of the seven copies of the regulations. Note that at least one Face Sheet must contain an original signature of the agency officer with rulemaking authority.

- Part 1. Provide the name and telephone number of the person who is authorized during the review period to answer questions regarding this regulatory filing. If different than person designated in certification box, attach order delegating authority for making decisions regarding these regulations.
- Part 2. Check the appropriate box. NOTE: Nonsubstantive changes are reviewed by and are subject to OAL approval.
- Part 3 a. Provide the Administrative Code Title in which the regulation will appear and list *section* number of each regulation to be amended, adopted or repealed. *When filing a Certificate of Compliance list the section number of each emergency regulation formally adopted after completion of the rulemaking procedures of the APA.* (Attach additional sheets if necessary.)
 - b. Please list the section number of each regulation which includes modifications to the text to the regulations originally made available to the public pursuant to Government Code Section 11346.5(b), and adopted, amended or repealed as modified pursuant to Government Code Section 11346.8(c). The sections listed here must correspond to the sections which were made available for 15 days pursuant to Government Code Section 11346.8(c).
- Part 4. Check appropriate box as necessary to comply with the requirements of Government Code Section 11346.1(e).
- Part 5. Specify date(s) and file number(s) of each prior submittal of these regulatory changes which was withdrawn or disapproved.
- Part 6. OAL has a longer time period to review regulatory changes submitted to carry out amendments and repeals which are identified in the agency's Statement of Review Completion and which have been submitted as a result of the agency's review of regulations administered by it as of June 30, 1980. Therefore, these regulatory changes should be submitted in a separate filing from any other regulatory changes. If not submitted separately, regulations not resulting from the review and any material in the rulemaking file relating to them must be clearly identified.
- Part 7. Certain regulatory activities must be reviewed and approved by other state agencies prior to submittal to OAL. Regulations subject to prior approval include:
 - a. Fire and panic safety regulations (Govt. Code Sec. 11342.3.).
 - b. Building standards as defined in Section 18909 of the Health and Safety Code (Govt. Code Sec. 11343).
 - c. Conflict of Interest regulations (Title 2 California Admin. Code Section 18750(i)).

Note: Where regulations have a fiscal impact on state, local or federal government or result in reimbursable costs to local government or school districts the fiscal impact statement must be reviewed, approved and signed by the Department of Finance before the regulations will be accepted for filing by OAL. See Government Code Sections 11349.1, 11346.5(a)(6), and S.A.M. sections 6050-6057.
- Part 8 a. Provide the publication date of the Notice Register in which the notice of proposed action appeared.
 - b. Provide the date on which the regulatory agency adopted the regulatory changes.
 - c. If the regulations were modified subsequent to the hearing or written comment period, provide the dates during which the modified regulations were made available to the public. Note that period must be at least 15 days and must be completed prior to the date the agency adopts the modified text. All modifications must be clearly indicated.
- Part 9. Effective Dates — check one of the following:
 - a. A regulation or order of repeal is effective 30 days after filing with the Secretary of State unless a different date is specified below.
 - b. An emergency order, Certificates of Compliance or nonsubstantive change is effective upon filing with the Secretary of State unless a later date is specified below.
 - c. If an effective date other than specified above is required or allowed by statute, provide the date and the statutory citations(s).
 - d. If an early effective date is being requested, please attach a letter specifying the date the regulation(s) should take effect and the reason for the early effective date. Requests are granted by OAL upon a showing of good cause.
 - e. If an effective date later than specified above is requested, provide the date.

FILING REQUIREMENTS

The following material must be submitted when filing regulations with OAL:

- *Seven (7) copies of the regulations.* Note: Use underline and strikeout to indicate changes in an existing section. For adoption of a new section, underline new text. The repeal of an entire section may be indicated by placing a diagonal slash through the text to be repealed.
- *A completed Face Sheet for filing regulations with the Office of Administrative Law, Form STD 400 attached to the front of each copy of the regulations, with at least one Face Sheet bearing an original signature.*
- *Complete rulemaking file, with index and sworn statement.* (See Govt. Code Sec. 11347.3 for full list of rulemaking contents.)

Adopt Section 63-052 to read:

63-052 IMPLEMENTATION OF FOOD STAMP ACCOUNTABILITY AND REPORTING REGULATIONS 63-052

- .1 The amended and adopted provisions specified in Section 63-052.2 shall be effective on the first day of the month following 30 days after filing of these regulations with the Secretary of State.
- .2 The following sections are affected by the revisions:
Sections 63-102b(3), i(7), p(6) through (9), r(4) through (7), and s(2) through (10);
Sections 63-103.2, .21h, and i(6);
Sections 63-206.1 through .14, .2 through .262, .3 through .38, .4 through .48, and .5 through .54;
Sections 63-701.1 through .13(f), .2, .3 through .345, .4 through .432, and .5 through .522(a);
Sections 63-702.1 through .122(q), .2 through .232, .3, .31, and .32, .4, .41, and .42; .5 through .52, and .6 through .64;
Sections 63-703.1 through .141, .2 through .215, and .3 and .31;
Sections 63-704.1 through .17;
Sections 63-705.1 through .4; and
Sections 63-1102.1 through .23.

Authority Cited: Section 18904, Welfare and Institutions Code.

Reference: Section 18902, Welfare and Institutions Code.

Renumber Sections 63-102p(6), (7), and (8); r(4) and (5); and s(2), (3), (4), (5), (6), and (7) to new Section 63-102p(7), (8), and (9); r(6) and (7); and s(4), (5), (6), (7), (8), and (10) to read:

63-102 DEFINITIONS

63-102

p. (Continued)

(67) (Continued)

(78) (Continued)

(89) (Continued)

r. (Continued)

(46) (Continued)

(57) (Continued)

s. (Continued)

(24) (Continued)

(35) (Continued)

(46) (Continued)

(57) (Continued)

(68) (Continued)

(710) (Continued)

Authority Cited: Sections 10553, 10554, 18902, and 18904, Welfare and Institutions Code.

Reference: Section 18904, Welfare and Institutions Code.

Amend and renumber Sections 63-701a., b., c., d., f., g., h., and i. to new Sections 63-102r(5), i(7), s(9), b(3), s(3), s(2), p(6), and r(4) to read:

63-70102 DEFINITIONS

63-70102

a-r.(5) Reporting Point

A "reporting point" means an office CWD which prepares and submits to FNS a Form FNS 250.

b-i.(7) Issuing Point

An "issuing point" means a location operated by the CWD and/or its issuance agent which issues feed coupons to recipients.

c-s.(9) Storage Point

A "storage point" means a location where a CWD and/or its issuing agent keeps or stores coupons.

d-b.(3) Bulk Storage Point

A "bulk storage point" means a location which receives and stores feed coupons from FNS for two or more agents CWDs and transfers them to issuance agents. It must report coupon inventories on Form FNS 250. Feed e Coupons are not issued to recipients from bulk storage points.

e-s.(3) Shipping Point

The A "shipping point" means a place which receives coupon shipments of feed coupons from FNS.

f-s.(2) Shipping Code

The A "shipping code" is a twelve (12) digit code number assigned to each shipping point. (Note that a twelve-digit shipping point code may be assigned to bulk storage, project areas, or issuing points that serve as places where shipment of feed coupons from FNS are received.)

g-p.(6) Project Area Code

The A "project area code" is the nine-digit code number assigned to each county CWD and/or its issuance agents regardless of whether it the CWD issues coupons or not.

h-r.(4) Reporting Code

The "reporting point code" is the nine-digit code number assigned to each reporting point. In counties in which the CWD itself issues coupons, the project code and the CWD reporting point code will be the same. CWDs not currently issuing but which wish to begin doing so must ensure that their project area code is activated as a reporting point before they begin issuance.

Authority Cited: Sections 10553, 10554, 18902, and 18904, Welfare and Institutions Code.

Reference: Sections 10554 and 18904, Welfare and Institutions Code; 7 CFR 271.2, 274.4, and 274.5.

Amend Sections 63-103.21(h) and (i)(6) to read:

63-103 ADMINISTRATIVE AUTHORITIES (Continued)

63-103

•2 State Agency Delegations to County Agencies

•21 Under California law SDSS hereby delegates administration of the Food Stamp Program to the CWD, subject to SDSS regulatory and rulemaking authority. CWD administrative responsibilities include, but are not limited to: (Continued)

h. Prompt submission to SDSS/FSPMB of revised Information Statement Forms DFA 298, 298-1, 298-2 or 298-3 to reflect any changes made to an earlier reported form item* the Annual County Food Stamp Questionnaire.

i. Maintenance of procedures and controls to: (Continued)

(6) Facilitate replacement of stolen ATPs, or coupons or ATPs lost in the mail, or coupons or ATPs destroyed in a household disaster (as specified in Section 63-102yyh).

Authority Cited: Sections 10553, 10554, 18902, and 18904, Welfare and Institutions Code.

Reference: Sections 10809, 18902, and 18904, Welfare and Institutions Code; 7 CFR 271.4(a)(6).

Adopt new Section 63-206.1; amend and renumber Section 63-702.1 to new Section 63-206.2; Sections 63-706.4, .41, .411, .412, and .42 to Sections 63-206.26, .261, (a), (b) and .262; Section 63-702.2 to new Section 63-206.3; Section 63-702.3 to new Section 63-206.38; Section 63-603.17, .171, .172, .173, and .175, to new Section 63-206.351, .352, .353, and .354; Section 63-702.4 and Section 63-603.174 to new Section 63-206.4 and .48; adopt new Section 63-206.21, .211, .212, .213, .214, .215, .22, .23, .24, .25, .31, .32, .33, .34, .35, .36, .37, .41, .42, .43, .44, .45, .46 and .47; and Section 63-702.5 to new Section 63-206.5 to read:

63-206 LIABILITIES

63-206

.1 CWD RIGHTS AND RESPONSIBILITIES

- .11 CWDs shall establish and maintain secure control over coupons and cash for which the regulations designate them accountable. CWDs shall be ~~responsible~~ liable as specified in Section 63-206.3 for shortages/losses of cash or coupons, and shall make payment upon demand as provided in these regulations.
- .12 CWDs shall be responsible for preventing losses of federal funds in the certification of households for participation in the Food Stamp Program. CWDs shall be liable for losses from incorrect coupon issuance resulting from CWD fraud or negligence (Section 63-705.61) and shall make payment upon demand as provided in these regulations.
- .13 Whenever a liability is asserted against a CWD, under this section, the CWD shall have the right to provide any information necessary to assist SDSS in resolving the amount of the claim.
- .14 SDSS determination of CWD compliance deficiencies may result in securing injunctive relief to compel compliance and/or disallowance of CWD claims for the federal share of administrative funds. SDSS is authorized to determine whether to seek injunctive relief, suspend or disallow administrative funds, to do both together, or to do each in sequence in each instance of noncompliance.

63-702206 LIABILITIES (Continued)

63-702206

.12 ATPs Liabilities

lost by the county CWD and subsequently used transacted. In addition, counties are also liable for issuance errors made by issuing offices (see Section 63-601-27).

- 21 CWD liabilities shall be assessed for all transacted ATPs which do not match the HIR master file due to any of the following causes:
 - 211 The transaction of ATPs lost by, stolen, or embezzled from the CWD or the CWD's contracted issuance agent;
 - 212 The transaction of expired ATPs;
 - 213 The transaction of out-of-state ATPs;
 - 214 The transaction of out-of-county ATPs;
 - 215 Duplicate ATP transactions caused by CWD error in circumstances where the duplicate transaction could have been prevented.
- 22 The CWD shall review all adjustment letters from SDSS for "FNS-46 Liabilities" to ensure that the amount to be adjusted is correct. If the CWD does not agree with the adjusted amount, a written rebuttal to the disputed amount of liability shall be submitted to SDSS within two weeks from the date of the adjustment letter. The rebuttal shall include the CWD's adjusted liability together with justification for that amount.
- 23 Failure to provide a written response within the above two-week time period will result in the CWD Food Stamp Administrative Advance being adjusted by the billed amount. If the CWD's failure to respond timely precludes the state's opportunity to appeal to FNS, the obligation in the amount specified shall be deemed correct and final.
- 24 CWD liabilities for all transacted ATPs identified on the Form FNS-46 will be adjusted by an offset from the county's Food Stamp Program Administrative Advance. These offset adjustments will be identified as "FNS-46 Liabilities."
- 25 The CWD shall report ATP activity on the FNS-46, ATP Reconciliation Report, in accordance with Fiscal Handbook Section 25-1010.
- 26 Processing Invalid ATP Cards

HANDBOOK

ATP cards redeemed by over-the-counter issuance units after the end of the month in which the ATP cards expired and which do not meet the exception outlined in Section 63-602.323 shall be treated as "cashier errors" for which the county for agent is liable. Out-of-county/out-of-state ATPs shall also be treated in this manner.

•41261 The Data Processing Unit CWD shall:

•412(a) Review ATP cards received from issuance units for such invalid ATP cards, and

•412(b) Require the submission of a corrected Form FNS 250 to reflect the undocumented issuances.

•42262 Payment to the contracted issuance agent(s) for cost of transaction fees may be declined by the county CWD for invalid ATPs redeemed by the agent. However, in no instance are the agent(s) permitted to retain such ATPs or fail to include the coupon allotment indicated on the ATPs in the FNS 250 reports. Stale-dated ATP transactions are reflected in the FNS 250 reports as actual issuances but not as documented issuances.

•23 Coupons and Cash Liabilities

Counties will be held liable for the face amount of food coupons whether or not such coupons are determined to be lost as a result of but not limited to theft, embezzlements or unexplained causes. Coupons which cannot be accounted for or which are determined to be "lost" will be presumed to have been redeemed in the customary channels of redemption unless it is satisfactorily established by the county that the lost coupons were discovered or destroyed prior to their presentation for redemption.

CWDs shall be ~~strictly~~ liable for the face amount of all coupon shortages and losses that occur after the coupons have been accepted by the CWDs' receiving point(s) and during the movement of coupons between the CWDs' bulk storage points and issuance offices. Such coupon shortages and/or losses include, but are not limited to, any of the following:

•31 Theft;

•32 Embezzlement;

- 33 Cashier errors (e.g. errors by issuance office personnel in counting coupon books);
- 34 Natural disasters, if the CWD cannot provide reasonable evidence that the coupons were destroyed and not redeemed;
- 35 Mail issuance losses that exceed either of the appropriate tolerance levels set forth in Section 63-206.351 and .352;
- 17 Liability for Coupons Issued Through the Mail

FNS will assume financial liability for all coupons lost in the mail if the coupons were issued in accordance with required policies and procedures except as follows:

- 171351 Mail losses in excess of .5 percent of the dollar value of the total quarterly mail issuance in a county where \$300,000 or more per quarter of coupons are issued in the mail the EWD shall be strictly liable for the value of all.
- 172352 Mail losses in excess of \$1,500 per quarter in a county where less than \$300,000 per quarter of coupons are issued in the mail the EWD shall be strictly liable for.
- 173353 For the purpose of this section, "mail issuance" means all original coupon issuances distributed through the mail. "Mail Loss" means all replacements of mail issuance except for replacements of returned mail issuances. Coupons are "in the mail" when deposited with the Postal Service.

HANDBOOK

- 354 FNS will assume financial liability for all coupons lost in the mail if the coupons were issued in accordance with required policies and procedures except as specified in Section 63-206.351 and .352.
- 175 The EWD shall be given a grace period from January through September of 1983 in which the mail losses in excess of .5 percent (per Section 63-603-191) shall be raised to .75 percent and mail losses in

excess of \$1,500 (per Section 63-603-1927) shall be raised to \$2,250 per quarter.

- 36 Unexplained causes; and,
- 37 Coupon overissuances resulting from noncompliance with SDSS instructions implementing benefit reductions, suspensions or cancellations as required under Section 63-107.
- 38 Cash losses EWBs are liable for eCash losses when including monies collected from overissuance claims which have been lost, stolen, or otherwise not accounted for in accordance with the provisions in Section 63-801.8.
- 4 Liability Check List Reporting of Coupon and Mail Issuance Liabilities
- 41 Coupons
 - 411 Test, statement, embezzled coupons and unexplained shortages - see Section 63-705-72.
 - 412 Coupons in possession of issuance agent - see Section 63-603-19.
- 41 The CWD shall review all statements of account for "FNS-250 Liabilities" to ensure that the amount to be adjusted is correct. If the CWD does not agree with the alleged liability, a written rebuttal to the disputed amount of liability shall be submitted to SDSS within two weeks from the date of the billing letter. The rebuttal shall include the CWD's adjusted liability together with justification for that amount.
- 42 Failure to provide a written response within the two-week period will be handled in accordance with Section 63-206.23.

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- 43 CWD liability for inventory and issuance losses identified on the Form FNS-250 will be adjusted by an offset from the county's Food Stamp Program administrative advance. These offset adjustments will be identified as "FNS-250 Liabilities." Prior to the adjustment, a statement of account reflecting the exact amount of liability identified on the FNS-250 will be provided the CWD.

•44 The CWD shall report coupon inventory and issuance activity on the FNS-250, Food Coupon Accountability Report, in accordance with Fiscal Handbook Section 25-1030.

•45 The CWD shall review all adjustment letters for "FNS-259 Liabilities" to ensure that the amount to be adjusted is correct. If the CWD does not agree with the adjusted amount, a written rebuttal to the disputed amount of liability shall be submitted to SDSS within two weeks from the date of the adjustment letter. The rebuttal shall include the CWD's adjusted liability together with justification for that amount.

•46 Failure to provide a written response within the above two-week period shall be handled in accordance with Section 63-206.23.

•47 CWD liability for excessive mail losses identified on the Form FNS-259 will be adjusted by an offset from the county's Food Stamp Program Administrative Advance.

•48 The CWD shall report mail loss issuance activity on the FNS 259, Food Stamp Mail Issuance Loss Report, or other reporting documents specified by SDSS in accordance with Fiscal Handbook Section 25-1040.

HANDBOOK

•5 Photo ID

•51 CWDs shall include in any contract or agreement with an issuing agent a provision establishing the agent's strict liability to SDSS for the face value of coupons issued in any ATP transaction when:

- 511 the ATP is found to have been stolen or otherwise not received by the household and
- 512 the CWD or issuing agent's cashier has not recorded the serial number of the photo ID card on the ATP, or the person presenting the ATP is not pictured on the ID card as specified in Sections 63-602.383 and •462.

•52 CWDs shall be strictly liable for losses by CWD issuing agents where reconciliation shows noncompliance (see Section 63-702-41206.51) with photo ID requirements.

•53 The strict liability referred to in Section 63-702-41206.51 shall apply (to counties or parts of counties) notwithstanding the fact that FNS previously

granted waiver(s) of provisions of the photo ID requirements.

.54 In CWDs using an HIR system the strict liabilities conditions of Sections 63-702.51, .52, and .53 apply in a like manner.

Authority Cited: Sections 10553, 10554, 18902, and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 10605, 18902, 18905, Welfare and Institutions Code; 7 CFR 274.3, 274.4, 276.1, and 276.2.

Amend and renumber Sections 63-704.1, .11, .111, .112, and .113 to new Sections 63-701.1, .11, .12, .13, and .2; Sections 63-704.2, .21, .24, and .25 to new Sections 63-701.32, .34, .341, .342, .343, .344, and .345; repeal Section 63-704.22; amend and renumber Sections 63-703.1, .11, and .12 to new Sections 63-701.31, and .311; repeal Sections 63-703.2, .21, .3, .4, and .5; renumber Sections 63-704.23, .231, and .232 to new Sections 63-701.43, .431, and .432; amend and renumber Sections 63-704.28 and .29 to new Sections 63-701.42, .42, .421, and .422; Sections 63-704.26, .27, .271, and .272 to new Sections 63-701.5, .51, .52, .521, and .522 to read:

63-7041 COUPON ORDERING DISTRIBUTION AND INVENTORY MANAGEMENT REQUESTION

63-7041

•1‡ Distribution of Coupon

•1‡ (Continued)

•11‡ (Continued)

•12 The CWD shall establish an accounting system for monitoring the inventory activities of coupon issuers. The CWD shall review the Form FNS 250 from coupon issuers and bulk storage points, to determine the propriety and reasonableness of the inventories. Forms FNS 261, advices of shipment, Form FNS 300, advices of transfer, or an FSPMB-5055 approved form, and reports of returned mail-issued coupons, replacements of mail-issued coupons, coverage of food coupon books and physical inventory controls shall be used by the CWD to assure the accuracy of monthly reports and their compliance with required inventory levels and the accuracy and reasonableness of coupon orders.

•13 The CWD shall use the following forms to assure the accuracy of monthly reports and compliance with required inventory needs and the accuracy and reasonableness of coupon orders:

- (a) Advice of Shipment (FNS 261);
- (b) Advice of Transfer (FNS 300);
- (c) Mail Issuance Log (DFA 300);

- (d) Replacement of Mail-Issued Coupons (FNS 259);
- (e) Coupon Account and Destruction Report (FNS 471);
and
- (f) Coupon Book Inventory Record (DFA 292);

•‡32 **Coupon controls.** The CWD shall establish control and security procedures to safeguard coupons, similar to those used to protect currency. The CWD and all persons or organizations acting on its behalf shall take the necessary precautions to: (1) safeguard coupons from theft, embezzlement, loss, damage, or destruction; (2) avoid unauthorized transfer, negotiation, or use of coupons; (3) avoid issuance and transfer of altered or counterfeit coupons; and (4) promptly report in writing to the FSPMB-SDSS and FMS any loss, theft or embezzlement of coupons. The exact nature of security arrangements will depend on CWD evaluation of local coupon issuance and storage facilities. These arrangements must permit the timely issuance of coupons while affording a reasonable degree of coupon security. (See Section 63-601.23.)

•‡3 **Coupon Requisitions**

63-703 HOW TO ORDER BULK SUPPLIES OF FOOD STAMPS

63-703

•‡ **Prerequisites to Ordering**

- 31 Before an order for bulk supplies is placed, the following requirements must shall have been met:
 - 311 The county welfare department CWD shall have filed with SDSS-FSPMB five copies of the appropriate Form DFA 298-2 (and revised DFA 298 if necessary) Information Statement, Annual Food Stamp Questionnaire with original signature.
 - 32 County contracts or agreements with issuing agents, which include changes from the sample contracts, must have been approved in accordance with Section 63-601-2

•‡2 **Coupon Books**

- ‡1 Coupon books are available in the following types and denominations:

Type A - \$2 & two \$1 coupons

Type B - \$7 (one \$5 coupon and two \$1 coupons)

Type C - \$40 (two \$10 coupons, three \$5 coupons and five \$1 coupons)

Type D - \$50 (three \$10 coupons, three \$5 coupons and five \$1 coupons)

Type E - \$65 (four \$10 coupons, four \$5 coupons and five \$1 coupons)

Type F - \$10 (one \$5 coupon and five \$1 coupons)

*3 - Coupon Colors are:

\$1 coupon - Brown

\$5 coupon - Purple

\$10 coupon - Blue-green

*4 The Coupon Book Colors are:

The coupon book covers are manila tagboard, but each book is printed in a different color ink.

\$2 book - Green

\$7 book - Purple

\$10 book - Turquoise

\$40 book - Brownish gold

\$50 book - Blue

\$65 book - Reddish brown

*5 Additional Coupon Book Data

Coupons are normally ordered in full size cartons. However, small counties with low usage rates may order in half-size cartons. The following two tables give additional facts on full and half-size cartons.

Books	\$ 2	\$ 7	\$10	\$40	\$50	\$65
Carton Weight						

estimated lbs. 2 4 7 11 12 10

Carton value \$27,000 \$7,000 \$10,000 \$16,000 \$20,000 \$19,500

Carton Dimensions

finches L 7 9 12-5/8 13-1/2 14-1/4 12

finches W 6-5/8 6-5/8 11-3/8 6-5/8 6-5/8 6-5/8

finches H 11-1/2 11-1/2 5-3/8 6 6 6

Volume

Boxes per Carton 4 4 4 2 2 2

Books per Box 250 250 250 200 200 150

Books

per Carton 1,000 1,000 1,000 400 400 300

Books

Full-size Cartons

\$ 2 \$ 7 \$ 10 \$ 40 \$ 50 \$ 65

Carton Weight

estimated lbs. 26 28 34 22 24 21

Carton value \$47,000 \$14,000 \$20,000 \$32,000 \$40,000 \$39,000

Carton Dimensions

finches L 13 13 12-1/2 13-1/2 14-1/4 13

finches W 7 9 11 13 13 12

finches H 11-1/2 11-1/2 10-3/8 6 6 6

Volume

Boxes per Carton 8 8 8 4 4 4

Books per Box 250 250 250 200 200 150

Books

per Carton 2,000 2,000 2,000 800 800 600

•2 Coupon Requisitions

•32+ Coupon requisitioning. The CWD or its contracted issuance agent shall arrange for the ordering of coupons and the prompt verification and written acceptance of the contents of each coupon shipment. The CWD shall furnish the appropriate delivery hours and the names of the persons authorized to sign delivery acknowledgements by submitting the appropriate DIA 2987 Information Statement Form FNS 33 to FNS.

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- 22 FNS review of requisitions. FNS will assess the reasonableness and propriety of food stamp requisitions submitted by the CWDs based on prior inventory changes and will notify the county of any adjustments made to requisitions.
- 23 FNS review of requisitions. FNS will assess the reasonableness and propriety of coupon requisitions submitted by the CWDs based on prior inventory changes and will notify the CWD of any adjustments made to requisitions.

•234 Coupon Ordering, Reordering and Inventory

- 341 The initial order shall be by letter or on a requisition for food coupon books, Forms FNS 260 furnished by FNS (see Section 63-100). The initial order should be for an estimated six-month supply.
- 342 The CWD ordering agency must shall indicate the type of books, number of books, and resultant number of cartons desired. In addition, it should be clearly indicated in the "Remarks" section whether there will be any holidays over the two-month period following the requisition date on which shipping points will be closed and armored car deliveries will not be accepted. Contract issuance agents will shall complete the form, but the first five (5) parts (original plus four copies) must shall be forwarded to the county CWD for approval; the agent retains copy five. After the county CWD approves the required requisition, it shall forward the original and the remaining three copies of the FNS 260 to FNS in San Francisco and will retain copy four.

•25 Reordering and Coupon Inventory

- 343 Counties CWDs should shall maintain a three to six month's supply of coupons on hand. Therefore, to prevent shortages when a three-month inventory, or less, is reached, counties CWDs for their agents should may requisition another six month's supply. In keeping with FNS's system of monthly cycling of coupon requisitions, agents must CWDs shall prepare and transmit their requisitions to the FNS regional office to be received during the week of the third Monday of the month. Requisitions received by FNS earlier in the month will not be

processed until the week of the third Monday of the month. The coupon supply should be received via armored car approximately six weeks from the cycling date. Exception: counties CWDs placing orders of ten cartons or less may receive deliveries by mail.

.344 Agents and/or counties CWDs must shall ensure that inventories are appropriate by maintaining a perpetual inventory of monthly issuance, inventory on hand, and inventory on order. This county CWD responsibility for inventory control is cited in Section 63-7041.1t.

The primary method for ordering coupons will be by determining the average coupon book use in the previous three months. However to minimize shortages in coupon inventories, it is strongly recommended that large ATP-system counties develop and maintain data on the number of transacted ATP cards (by household size) to assist them in determining future usage. This data is especially useful for high volume counties and will provide for accurate reordering when the required semiannual coupon allotment changes occur.

.345 The primary method for ordering coupons will be by determining the average coupon book use in the previous three months. However, to minimize shortages in coupon inventories, it is strongly recommended that large ATP-system counties develop and maintain data on the number of transacted ATP cards (by household size) to assist them in determining future usage. This data is especially useful for high volume CWDs and will provide for accurate reordering when the required semiannual coupon allotment changes occur.

.4 Coupon Shipment

.2841 FNS Shipment of Coupons

FNS will ship coupons, printed in such denominations as it may determine necessary, directly to the CWD's designated receiving points. FNS will promptly advise the CWD in writing when coupons are shipped to receiving points using Form FNS 261. Coupons shall be considered delivered to the county CWD when FNS or its carrier has a signed receipt.

•429 Shipment of Coupons by the CWD

•29421 Once coupons have been accepted by receiving points, any further movement of the coupons between coupon issuers and bulk storage points ~~within the county~~ is at the risk of the CWD. To minimize the risk of loss, coupons ~~should~~ shall ~~usually~~ be shipped by armored car, armored vehicle, armored tractor/trailer, or the Postal Service. Movement of coupons by any of these methods of transportation is normally appropriate because stringent security is applied and the risk of loss is usually borne by the carrier.

•4292 (Continued)

•243 (Continued)

•2431 (Continued)

•2432 (Continued)

•5 Coupon Transfer

•2651 Emergency Handling of Requisitions Transfers

Counties ~~should~~ CWDs shall arrange for emergency transfers of coupons when it appears that an agent's supply will not last until the next shipment is received. All such transfers (with the exception of intra-USPS transfers) ~~must~~ shall have ~~county~~ CWD approval. Transfers between counties ~~must~~ CWDs shall be approved by both ~~counties~~ CWDs. See Section 63-704-271fd1.521(d) for reporting such transfers on the FNS 250. If a transfer cannot be made, counties ~~CWDs should~~ shall advise FNS, San Francisco, of the need for an emergency shipment and the reasons for it in writing. In the interest of time, the request may be relayed by telephone and confirmed in writing as soon as possible.

•511 In the interest of time, the request may be relayed by telephone and confirmed in writing as soon as possible.

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•2752 Transfers of Coupons Procedure

•271 Procedure

•521 Whenever a transfer of coupons occurs between two issuing agents or CWDs with different reporting point code numbers, the following procedure is required:

- (a) Both CWDs must shall consent to the transfer. The initial correspondence concerning such transfers should be between the two CWDs. It is suggested that the sending CWD take steps to verify the initial requester ~~regarding~~ by calling the receiving county to determine if the original contact was authorized.
- (b) The sending CWD or its contracted agent, must shall initiate the Advice of Transfer (Form FNS 300) exhibited in Chapter 63-1100. This form will shall accompany the coupons to the receiving CWD to document the original contact.
- (c) Upon receiving the shipment of coupons, the receiving CWD or agent will shall complete the remainder of the document and return a receipted copy to the sending CWD or agent for his/her files.
- (d) The receiving CWD or agent will shall attach the original and copy one of the FNS 300 (or PS 3500) to the FNS 250 report for the month in which the transfer was accomplished as supporting documentation for submission to FNS.

•5272 Responsibilities of Counties CWDs

- (a) CWDs will shall arrange for coupon transfers. FSPM-SDSS staff will assist only in those cases where a statewide shortage exists.

Authority Cited: Sections 10553, 10554, 18902, and 18904, Welfare and Institutions Code.

Reference: Sections 10809, 18904, and 18905; 7 CFR 274.3, 274.4, 274.5, and 274.8, Welfare and Institutions Code.

Renumber and amend Section 63-705 to new Section 63-702; and repeal Sections 63-705.13, .15, and .16 to read:

63-7052 ISSUANCE AGENCY AND BULK STORAGE POINT RESPONSIBILITIES

63-7052

•1 Receipt and Verification of Coupons Shipments

•11 Coupon issuers and bulk storage points shall promptly verify and acknowledge, in writing, the contents of each coupon shipment or coupon transfer delivered to them and shall be responsible for the custody, care, control, and storage of coupons.

•111 Routing Receipt of Coupons

(a) Coupon books are shipped directly from the American Bank Note Company, New York City, New York, to designated receiving agents. Shipments shall be verified and received only by those persons so authorized on the DFA 298, Information Statement series Annual Food Stamp Questionnaire.

(b) Issuing agencies ~~will~~ shall authorize at least two employees as receiving agents to receipt for shipment of coupon books. If an armored car delivery of food coupons should arrives after normal business hours and an authorized person is not present, it should shall not be accepted. If a shipment is declined for this reason, the armored car carrier ~~will~~ wait until regular operating hours to deliver the food coupons.

•112 Change in Designated Receiving Agents

(a) The CWD A revision to DFA 298-2 (five copies) must be shall submitted by the county Form FNS 33 to FSP4-SDSS whenever the name of the person authorized to receive shipments is changed or when the location where books are to be sent is changed.

•13 Verifying Shipments

The designated receiving agent must determine that the required number and type of cartons are received before signing the postal receipt or other receipt (depending upon how shipment is made). Cartons will be numbered consecutively for each denomination within each shipment. Cartons identify contents by colored tabs:

\$2 books - green tabet with letter "A"

\$7 books - purple tabet with letter "B"

\$40 books - brownish gold tabet with letter "C"

\$50 books - blue tabet with letter "D"

\$65 books - reddish brown tabet with letter "E"

\$10 books - turquoise tabet with letter "F"

•142 Receiving Shipments Verification

Form FNS 261 (see Section 63-1100) will be received just prior to, or approximately at the same time as, the shipment of food coupons. This form is a notice that food coupons previously requisitioned can be expected shortly.

•121 Form FNS 261 will be received just prior to, or approximately at the same time as, the shipment of food coupons. This form is a notice that food coupons previously requisitioned can be expected shortly.

•122 The shipping point or receiving agent shall accept and receipt for food coupon shipments in the following manner:

•142(a) A person or persons authorized to accept and receipt for food coupons shall verify that the number and type of each denomination being delivered agrees with those listed on the registered mail receipt, and Form FNS 261 before accepting them. See Handbook 63-1102.3 regarding verifying shipments.

•142(b) If there is no discrepancy between the number and type of each denomination being delivered and the entries on the registered mail receipt, then and Form FNS 261, he/she

shall be signed, and dated Form FNS 261. He/she shall and attached the original and copy one to Form FNS 250.

*#43(c) If there is a discrepancy between the number and type of each denomination being delivered and the entries on Form FNS 261 and/or the registered mail receipt, the person or persons so authorized shall make the appropriate pen and ink changes to the document(s) containing the discrepancy so that they agree with the number and type of each denomination of coupons actually received. After these changes have been made, he/she the agent shall sign and date Form FNS 261, and follow the procedure in *#42 *122(b) above, for disposition.

#44(d) If Form FNS 261 is not received within three days following receipt of the food coupons, the consignee receiving agent shall prepare a letter, The original of this letter which must be attached to Form FNS 250, (see Section 63-705#42*) and sent to the FNS Regional Office stating:

a*(1) That the this letter is being submitted in lieu of Form FNS 261, which was not received.

b*(2) The number and type of each denomination of food coupons that were received.

c*(3) The date the food coupons were received.

#45(e) If Form FNS 261 is not received within three days following receipt of the food coupons, and a discrepancy is noted between the number and type of each denomination of coupons being delivered and the entries on the registered mail receipt, the procedures outlined in Section 63-705#43*122(c) and (d) *#44 must shall be followed jointly.

#46(f) If Form FNS 261 is received after the letter described in Section 63-705#44*122(d) has been attached to FNS

250 and mailed, then Form FNS 261 may be discarded.

(g) Before use, each carton and box shall be examined according to the instructions on the respective labels.

*15 Opening Individual Cartons

Before opening each carton, the receiving agent and at least one other person will examine the seal and general condition of the carton. They should not break the seal if there is any evidence of tampering or other damage. They should check the contents by removing the cambrie tapes over the special openings provided for inspection of the carton, folding back flaps, and counting the number of boxes. They should verify the contents by checking the labels on the boxes with the label on the carton. If there are mutilated or mismanufactured coupons or a shortage/overage of coupons, an FNS 43 must be completed (see Section 63-705-211).

*16 Opening Individual Boxes

Before opening each box, the employee responsible and at least one other person will examine the seal and general condition of the box and count the number of units through the slotted opening to verify that 25 units are contained in each box of \$2 and \$7 books, 25 units in each box of \$10 books, 20 units in each box of \$40 and \$50 books, and 15 units in each box of \$65 books. (A unit consists of 10 books. Units are separated by dividers.) If there are mutilated or mismanufactured coupons or a shortage/overage of coupons, the employee must complete the FNS 43 (see Section 63-705-211).

*2 Establishing Claims for Reporting of Shortages/Overages Improperly Manufactured or Mutilated Food Coupons or Coupon Books Found Prior to Issuance

*21 Establishing Claims

To establish claims for improperly manufactured or mutilated food coupon books returned by recipients, see Section 63-605-5-7

*21 When a shortage or overage of food coupons or food coupon books is discovered by the issuance office, the issuance office agent shall:

•211 Complete Form FNS 4371, Report of Improperly Manufactured, Mutilated, or Shortage/Overage of Food Coupon Books Coupon Account and Destruction Report, noting the number, type, condition of all the coupons or coupon books; and the serial numbers of all the coupons and coupon books involved including the prefix, suffix, and year of the series. Any other facts relevant to the situation should be included in the "Remarks" section. This form shall be signed by two witnesses. (See Chapter 63-7200 for sample and instructions for completing FNS 4371.)

•212 (Continued)

•213 Retain copy 4 of Form FNS 4371, shall be attached copies 2 and 3 of Form FNS 43 to the two copies of Form FNS 250 and or FNS 259-1 that are being forwarded to the Regional Office, FNS. Send the original and copy 1 of the form to distributed in accordance with instructions on the reverse side of Form FNS 471.

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•22 Improperly Manufactured or Mutilated Coupons or Coupon Books

•221 When a small quantity of improperly manufactured, or mutilated loose food coupons or coupon books are found by the issuance office to be improperly manufactured or mutilated, the issuance office agent shall:

•222(a) Immediately cancel all the food coupons and coupon books involved.

•222(b) Complete Form FNS 4371, as stated in Section 63-7052.211 above.

•222(c) Enter the number of books that are improperly manufactured or mutilated on Form FNS 250 as "Credits to" (line 13). Destroy the coupon books shall be

destroyed as soon as possible in accordance with Section 63-601.4.

*224(d) Distribute Form FNS 4371, as stated in Section 63-705.213 above specified on Form FNS 471.

*225(e) Issue the remainder of the undamaged books.

•2322 When it is evident that an entire carton or box contains improperly manufactured or mutilated feed coupon books, the issuance officer agent shall:

*231(a) Store in a secure place.

*232(b) Complete Form FNS 4371, as stated in Section 63-7052.211 above.

*233(c) Distribute Form FNS 4371, as stated in Section 63-7052.213 above.

*234(d) Request instructions for disposition of the feed coupon books from FNS.

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*235(e) Where possible, issue the undamaged feed coupon books.

•23 Star Coupons and Books

•231 Occasionally, the food coupons and/or Star coupons books are accidentally destroyed during the manufacturing process. When this happens, they are replaced by STAR BOOKS which are identified by serial numbers which do not have a prefix letter. Also, the remainder of the serial number will bear no resemblance to those on the other books in the box or carton. Counties should advise their agents that and starbooks are negotiable and should shall be issued in the same manner as all other coupons and/or books.

•232 Occasionally, coupons and/or coupon books are accidentally destroyed during the manufacturing process. When this happens, they are replaced by coupons and/or books which are identified by a star or the exclusion of a prefix letter and the remainder of the serial number will bear no resemblance to those on the other coupons or books in the sequence.

•3 Beginning and Ending Inventories

•31 The amount of coupons reported on hand at the beginning of the current month must shall coincide with the amount reported as ending inventory in the previous month. The amount reported as ending inventory must shall be based on the actual physical count of all coupons on hand on the last day of the month and in no event should be merely the current balance indicated in the inventory control records.

•32 County CWDs officials must shall ensure that coupon inventories reported by their contracted agents are in fact based on actual counts and should witness these counts on a selected basis. Issuance agents must shall be required by the county to submit corrected reports when the current month reported beginning inventory does not coincide with the ending inventory reported for the previous month.

•4 Shipments Received and Transferred

•41 Coupons received and/or transferred must CWDs shall be reported coupons received and/or transferred in the month such receipts or transfers are actually accomplished. The agent originating a coupon transfer should shall identify the receiving agent in the "Transfer Summary" portion of the Form FNS 250 and keep a received copy of the "Advice of Transfer", Form FNS 300 (see Section 63-704-271.5).

Sections 63-704-24 and 705-13 fully describe the process of ordering and verifying. Section 63-705-14 describes the process of receiving for coupon shipments from Food and Nutrition Service. Section 63-705-8 requires the counties' contracted issuance agents to send a copy of the Form FNS 251, Advice of Shipment, to the county welfare department.

This will enable counties to verify the data reported on the FNS 250 report.

.42 Sections 63-701.34, 702.12, and handbook 1102.3 fully describe the process of ordering, verifying and receipting for coupon shipments from Food and Nutrition Service. Section 63-705.8 requires the CWDs' contracted issuance agents to send a copy of the Form FNS 261, Advice of Shipment, to the CWD.

This will enable CWDs to verify the data reported on the FNS 250 report.

.5 Inventory Accountability

Records of accountability for coupon books must CWDs shall be maintained records of accountability for coupon books. Contracted agents may be delegated this responsibility. Such delegation will not, however, relieve or discharge counties the CWDs of liability for any unaccounted-for coupon books. CWDs Such accountability records shall show the serial numbers and number of books received, the serial numbers and number of books distributed to other offices for issuance (or the number issued), and the balance on hand. Form DFA 292 Coupon Book Inventory Record, or approved substitute is to shall be used for this purpose. (See Section 63-1~~1~~200.)

.51 In county issuance, The office supervisor shall maintains the Form DFA 292, or approved substitute. For each denomination of coupon books transferred from the county treasurer's office, The person responsible for county CWD storage will shall provide a receipt for the supervisor's use in making entries on coupon book inventory records.

.511 (Continued)

.512 (Continued)

.52 The responsible person must be shall assure that a running computed inventory of all unissued stamps in the county CWD is maintained and a monthly physical inventory made when reporting books on hand on Form FNS 250.

.6 Monthly Reporting Coupon Accountability to FNS

.61 Each coupon issuers and bulk storage points shall report monthly to FNS, through the county CWD using the Form FNS 250 and supporting documents. The county shall prescribe a report due date, taking into consideration the time needed to perform the necessary reviews. These reports shall be signed by the coupon issuer or

appropriate corporate official, certifying that the information is true and correct to the best of that person's knowledge and belief. Reports shall be submitted to FNS by the county by the 45th day following the end of the report month. All copies of the FNS 250 shall have original signatures.

- 612 How to Report (Using Form FNS 250 -- Food Coupon Accountability Report) The Food Coupon Accountability Report (FNS 250) must shall be prepared after the close of each issuance month and is submitted to FNS, WRO by the county CWD. This report, summarizing monthly food stamp sales activity, is used for accounting and inventory control purposes.
- 621 Each issuing unit shall prepare a Form FNS 250 report which with the CWD shall be consolidated into a single report by the county office if the county CWD is self-issuing.
- 622 If the county CWD contracts for issuance, a separate FNS 250 with shall be required for each reporting point. All copies of the FNS 250 must have original signatures.
- 623 County welfare departments CWDs are not responsible for submitting a single county consolidated Form FNS 250 report for all their contracted issuance agents. However, in all cases, the county CWD shall submit all FNS 250s for the county CWD and/or its agents. Counties CWDs are responsible for reconciling any differences between their records and those of the issuance agents. Counties will be held liable for the face amount of food coupons whether or not such coupons are determined lost as a result of, but not limited to, theft, embezzlement, or unexplained causes, or which cannot be accounted for.

Bulk Storage Points must complete and submit a Food Stamp Accountability Report (FNS 250).

•611 Where to Report

The original and one copy of each FNS 250 shall be submitted to Food and Nutrition Service, U.S. Department of Agriculture, 550 Kearney Street, Room 400, San Francisco, CA 94108 by county welfare departments.

Self-issuance counties shall retain one copy for their files.

County-contracted issuance agents shall submit all copies except one to the county welfare department retaining one copy for their files. The EWD will then retain the project area copy.

*7 Reporting Overages and Shortages

*71 Overages and Shortages by Cashiers

Agents shall report all overages or shortages of coupon books due to cashier's error on the Form FNS 250 for the period for which they occur.

*72 Shortages Due to Other Causes

Counties shall report immediately by phone, shortages due to fire, theft, fraud, embezzlement, or other cause to the local USDA-FNS Officer in Charge and to SASS-FSPM. Counties shall follow up the phone report with a letter to Food and Nutrition Service, Western Region, 550 Kearny Street, San Francisco, CA 94108 (with a copy to SASS-FSPM) giving complete details of the shortage and action taken. When appropriate, counties shall immediately notify the police. Issuance agents will be billed separately for all shortages over \$1,000 due to the theft, embezzlement, etc.

Coupon losses not replaced by the county or agent must appear as inventory shortages on the FNS 250 report submitted for that month and should be explained in the "Remarks" Section or on an attachment to that report. In cases where fire or flood damage or destruction of coupons is documented, counties will not be held liable for the losses. Counties will be notified of any additional action to be taken and of any adjustment to be made to their records.

*73 Procedure for Adjusting Shortages or Overages

The method to be used by the county will be as follows for determining agent liability:

*731 Coupon book overages shall be applied against coupon book shortages in the six-month accounting period.

- 732 Coupon book overages remaining after offsets have been made shall not be carried over into the next semiannual period.
- 733 Any damaged cartons or boxes shall be put in safekeeping until the county is notified what to do with them. The cartons or boxes will be a part of the inventory until disposition is made.

•864 Supporting Documentation

Coupon issuers and bulk storage points shall submit to the county Supporting documentation shall be submitted which will allow for verification of the monthly FNS 250 report. At a minimum such Documentation shall include, but is not limited to, documents supporting coupon shipments, transfers, and issuances. In those counties CWDs using an ATP issuance system, coupon issuers shall submit transacted ATPs batched according to each day's activity, in accordance with the schedule prescribed by the county CWD, but, in any case, not less often than monthly (see Section 63-706-33.2).

Authority Cited: Sections 10553, 10554, 18902, and 18904, Welfare and Institutions Code.

Reference: Sections 10809, 18904, and 18905, Welfare and Institutions Code; 7 CFR 274.5 and 274.6; FNS Handbook #301 - Sections 3420, 3700, 3710, 3711, 3910, and 3920.

Renumber and amend Sections 63-706.1 and .3 to new Sections 63-703.1 and .2; repeal Section 63-706.2 to read:

63-706703 ATP/HIR RECONCILIATION

63-706703

.1 ATP Reconciliation

- 11 In ATP issuance systems, the CWD shall verify the number of transacted ATPs received from the coupon issuers and the total value of documented coupon issuances. {See Section 63-706.3 for more details on processing and reconciliation of executed ATP cards.}
- 111 ATP batches not reconciled shall be maintained intact by the CWD until the discrepancy is resolved with the coupon issuer.
- 112 Following receipt and verification of the final batch of ATPs for the month, the CWD shall determine the total value of authorized issuances for each coupon issuer. Any expired or out-of-county or out-of-state ATPs shall be handled as coupon issuer errors and shall not be reported as documented authorized issuances. {See Section 63-706.4.}
- 12 The CWD shall clearly differentiate between initial, supplemental, and replacement ATP issuances in its accountability system.
- 13 The coupon issuer shall reconcile its issuance on a daily basis. Reconciliation of ATPs with the HIR Master File
 - 131 The CWD shall post and reconcile all transacted ATPs against the HIR master file. The reconciliation of ATPs shall be accomplished at the level in the county CWD where the HIR was created from the Notices of Change. This posting and reconciliation shall, at a minimum, include for each ATP a comparison of the total coupon allotment. The CWD shall merge the records of the manually prepared initial, supplemental, and replacement ATP issuances with the HIR master file prior to posting and reconciling the transacted ATPs. Because ATPs issued after the 25th of the month may be redeemed in the following month and because supplemental ATPs may be issued during the month, the CWD shall establish a mechanism for the

redemption and reconciliation of more than one valid ATP in one month. However, ATPs issued to replace ATPs reported lost or stolen shall be separately identifiable, as the transaction of both the original and replacement ATP represents a duplicate issuance which must be so reported.

.154 Identification of Unreconciled ATPs

.141 The CWD shall identify all transacted ATPs that are not reconciled with the HIR master file as expired, duplicated, altered, stolen, counterfeit, out-of-state or out-of-county. Unreconciled ATPs shall be reported on the FNS 46. This identification shall be used to establish the liabilities of the CWD for determination of corrective or claims action.

.2 Procedures and Controls for Processing Executed ATP Cards

.21 In ATP systems, the county's Data Processing Unit shall use executed ATP cards for:

- .211** Verification of the Form FNS 250, Food Coupon Accountability Report, submitted by issuance units.
- .212** Identification of duplicate and other undocumented issuances by comparison with ATP Master File.
- .213** Recording of participation in ATP Master File.
- .214** An audit trail for accounting review purposes.
- .215** Providing necessary reports to other units and to FNS.

.22 Information from executed ATP cards must be retained in an orderly fashion for audit and review purposes.

.32 Processing Executed Reconciling Transacted ATP Cards

.21 ATP CWDs shall reconciliation must be accomplished ATPs as described below unless CWDs receive specific written approval from SDSS-FSPMB for use of alternative procedures.

.3211 Issuance agents shall return all ATP cards transacted by recipients during the month shall be returned to the county's Data Processing Unit CWD.

for reconciliation. Care should be taken in the preparation and transmittal of ATP cards to the Data Processing Unit, as these documents are the Issuance Agent's only proof that its issuances are authorized. The Data Processing Unit CWD shall establish a schedule for the return of executed transacted ATP cards by issuance units and/or agents. More frequent transmittals, however, will allow the Data Processing Unit more time to prepare input data and validate batches prior to overall ATP reconciliation and participation reporting. Each transmittal of ATP cards shall be accompanied by an ATP batch report indicating the number of ATP cards attached and the total value of coupons authorized to be issued. The issuance unit should shall separate replacement ATPs for coupons lost in the mail from other ATPs.

- 3212 Upon receipt of executed transacted ATP cards from an issuance unit, the Data Processing Unit CWD shall verify the totals on the transmittal statement. If differences occur which cannot be reconciled with the issuance unit, the Data Processing Unit's figures shall be used for all subsequent reports, including the Form FNS 250.
- 3213 At the end of the month, the Data Processing Unit CWD shall verify the Actual vs. Documented Issuance Summary on the Form FNS 250, from each issuance unit against the totals from the unit's transmittal statements. If unreconciled differences occur, the allotment difference shall be adjusted according to Data Processing Unit's figures and the Form FNS 250 corrected by the issuance agent prior to submission if possible. If time does not permit, revised FNS 250 reports shall be submitted.
- 34 The Data Processing Unit shall use transacted ATP cards to record participation in the HIR Master File. If there is over-the-counter issuance of ATP cards, the Data Processing Unit shall merge this information beforehand. At a minimum, the Data Processing Unit shall record the allotment selection from each ATP.
- 35 The Data Processing Unit shall reconcile transacted ATP cards with the HIR Master File to identify altered, duplicate, counterfeit and stolen ATP cards. Upon discovery of such transactions, the Data Processing Unit shall:

- 351 Refer the case to the appropriate county personnel for legal and/or administrative action as may be warranted by the nature of the incident.
- 352 Make no correction on the Form FNS 250 for cases of this nature. These are to be considered authorized and documented issuances.
- 353 Pursue the case in accordance with claim determination procedures in Section 63-801.
- 36214 The Data Processing Unit with CWD shall reconcile replacement ATPs for coupons lost in the mail with the data it has received from the Certification Unit on the issuance of these documents. Issuances made on the basis of these ATPs are to be treated as actual but not documented on the FNS 250. In order for the agent not to be liable for the resulting allotment differences, the FNS 259 Report shall be completed and submitted (see Section 63-707-13).
- 37215 The Data Processing Unit CWD shall identify transacted out-of-county, and out-of-state ATP cards. These are actual but not documented issuances which will result in allotment value differences for which the county for its agent is liable (see Section 63-706-33).

•463 HIR Reconciliation to the Case Files

- 31 In an HIR issuance system, the CWD shall conduct a semiannual comparison of the active and inactive HIR cards against the case files. At a minimum, 20 percent of both open and closed HIR cards shall be selected at random for the comparison. The CWD may limit selection of cases for review to those which were active during the previous six months. If the CWD discovers an HIR card during the review for which a case file cannot be located, the CWD shall conduct a total review of the active case files. The CWD shall immediately document and report any discrepancies discovered during the semiannual review to FNS.

Authority Cited: Sections 10553, 10554, 18902, and 18904, Welfare and Institutions Code.

Reference: Sections 10809 and 18904, "Welfare" and
Institutions Code; 7 CFR 274.6.

Amend and renumber Sections 63-707.1 and .2 to 63-704.1 to read:

63-7074 COUNTY WELFARE DEPARTMENT AND CONTRACTED ISSUANCE AGENTS REPORTING RESPONSIBILITIES

63-7074

.1 Reporting Requirements

- .11 The county CWD shall report to FNS on Forms 560 or FNS 33 SDSS-FSPMB when a reconciliation point or a coupon shipment receiving point is created, changed, or terminated at least 45 days prior to the effective date of the action. A reconciliation point is that point in the project area where transacted ATPs are reconciled with the HIR master file.
- .12 The county CWD shall assign a due date for review Form FNS 250, received monthly from coupon issuers and bulk storage points for accuracy, completeness and reasonableness. The county CWD shall review FNS 250s for attest to the accuracy of these reports and submit them to FNS so that they will be received in FNS by the 45th day following the end of the report month. See Section 63-702.62 for preparation instructions on the FNS 250.
- .13 The county CWD shall complete the submit to FNS a Form FNS 259, Food Stamp Mail Issuance Report, for each project area using a mail issuance system. The county CWD shall verify the issuance by comparison with the issuance on the appropriate coupon issuer's Form FNS 250. This report FNS 259 shall be submitted to FNS so that it will be received in FNS by the 45th day following the end of each quarter.
- .14 FNS shall review each Form FNS 250 submitted through the county for completeness, accuracy and reasonableness and shall reconcile inventory with shipping records. FNS will review county verification of coupon issuer and bulk storage point monthly reports. FNS may supplement this review by unannounced spot checks of inventory levels and coupon security arrangements at selected coupon issuers and bulk storage points.

HANDBOOK

and coupon security arrangements at selected coupon issuers and bulk storage points.

*2 Preparation of the Participation Reports

- 15 The county CWD shall submit to FNS a Form FNS DFA 256, Monthly Report of Participation and Coupon Issuance. This report shall be submitted to FNS so that it will be received in FNS by the 45th day following the report month. Form DFA 256 shall be prepared in accordance with instructions on the form.
- 151 The county CWD shall compile figures after the end of the issuance month based on HIR card data or transacted ATPs. These figures shall include all issuances supported by issuance documents including expired, altered, stolen, counterfeit and duplicate issuances which occurred during the report month. The CWD shall report only once households which have transacted duplicate ATP cards (including replacement ATPs). This report shall be submitted to FNS so that it will be received in FNS by the 45th day following the report month.
- 21 The county's Data Processing Unit is responsible for preparing monthly participation statistics information for each designated county. Form FNS 256 shall be prepared in accordance with Section 63-1100
- 22 The Data Processing Unit shall include in participation statistics (FNS 256) all households that have transacted ATP cards including altered and counterfeit ATP cards, and duplicate ATP cards for stolen ATPs, coupons or ATPs lost in the mail, or coupons or ATPs destroyed in a disaster. The unit shall report only once households which have transacted duplicate ATP cards (including replacement ATPs).
- 2316 The Data Processing Unit CWD shall also be responsible for preparing Form DFA 358, Food Stamp Program Participants by Ethnic Group, from the same source documents as the Form FNS DFA 256. (See Section 63-1100.) The CWD shall submit the DFA 358 to SDSS no later than 45 days after July 31 each year.
- 2417 The Data Processing Unit CWD is responsible for preparing the DFA 296, Monthly Caseload Movement Statistical Report (see Section 63-1100). The CWD shall

submit the DFA 296 to SDSS on or before the 20th day of
the month following the report month.

Authority Cited: Sections 10553, 10554, 18902, and 18904,
Welfare and Institutions Code.

Reference: Section 10809, Welfare and Institutions Code; 7
CFR 274.8; FNS Handbook #301.

Amend and renumber Sections 63-708.1, .2, .3, and .4 to new Sections 63-705.1, .2, .3, and .4 to read:

63-7085 ISSUANCE RECORD RETENTION AND SECURITY

63-7085

•1 Availability of Issuance Records

- 11 The CWD shall maintain issuance records for a period of three years from the month of origin. This period may be extended at the written request of FNS.
- 112 Issuance records shall include, at a minimum: Notices of change (DFA 377.1-.9), HIR cards, inventory records (DFA 292), transacted ATPs or similar authorizing documents, Forms Food Coupon Accountability Report (FNS 250), and substantiating supporting documents, Cashier's Daily Reports (DFA 293), Receptionist's Daily Tally Sheets (DFA 289), and the HIR master file as specified in Section 63-602.23.

•123 (Continued)

•2 (Continued)

•3 (Continued)

•4 (Continued)

Authority Cited: Sections 10553, 10554, 18902, and 18904, Welfare and Institutions Code.

Reference: Section 18902, Welfare and Institutions Code, 7 CFR 274.7.

Adopt Handbook Sections 63-1102.1, .11, .12, .13, .14, .2, .21, .22, and .23 to read:

H 63-1102 COUPON BOOK DETERMINATION

63-1102

A .1 Coupon Books and Coupon Ordering

N .11 Coupon books are available in the following types and denominations:

D Type A - \$2 (two \$1 coupons).

B Type B - \$7 (one \$5 coupon, and two \$1 coupons).

O Type C - \$40 (two \$10 coupons, three \$5 coupons, and five \$1 coupons).

O Type D - \$50 (four \$10 coupons and two \$5 coupons).

K Type E - \$65 (six \$10 coupons and five \$1 coupons).

Type F - \$10 (one \$5 coupon and five \$1 coupons).

.12 Coupon Colors are:

\$1 coupon - Brown

\$5 coupon - Purple

\$10 coupon - Blue-green

.13 The Coupon Book Colors are:

H The coupon book covers are manila tagboard, but each book is printed in a different color ink.

A \$2 book - Green

N \$7 book - Purple

D \$10 book - Turquoise

B \$40 book - Brownish gold

O \$50 book - Grey

O \$65 book - Red

K .14 Additional Coupon Book Data

H
A
N
D

Coupons are ordered in full size cartons. The following table gives additional facts on full size cartons.

B
O
O

	Books Full-size Cartons					
	\$ 2	\$ 7	\$10	\$40	\$50	\$65
Carton Weight (estimated lbs.)	26	28	34	22	24	21
Carton value	\$4,000	\$14,000	\$20,000	\$32,000	\$40,000	\$39,000
Carton Dimensions (inches) L	13	13	12-1/2	13-1/2	14-1/4	13
(inches) W	7	9	11	13	13	12
(inches) H	11-1/2	11-1/2	10-3/8	6	6	6
Volume						
Boxes per Carton	8	8	8	4	4	4
Books per Box	250	250	250	200	200	150
Books per Carton	2,000	2,000	2,000	800	800	600

K

•2 Verifying Shipments

•21 The designated receiving agent will determine that the required number and type of cartons are received before signing the postal receipt or other receipt (depending upon how shipment is made). Cartons will be numbered consecutively for each denomination within each shipment. Cartons identify contents by colored label:

\$2 books - green label with letter "A".

\$7 books - purple label with letter "B".

\$40 books - brownish gold label with letter "C".

\$50 books - blue label with letter "D".

\$65 books - reddish brown label with letter "E".

\$10 books - turquoise label with letter "F".

•22 Opening Individual Cartons

K

Before opening each carton, the receiving agent and at least one other person will examine the seal and general condition of the carton. They should not break the seal if there is any evidence of tampering or other damage. They should check the contents by removing the cambric tapes over the special openings provided for inspection of the carton, folding back flaps, and counting the number of boxes. They should verify the contents by checking the labels on the boxes with the label on the carton. If there are mutilated or mismanufactured coupons or a shortage/overage of coupons, an FNS 43 must be completed (see Section 63-702.211). The employee responsible will verify that 25 units are contained in each box of \$2 and \$7 books, 25 units in each box of \$10 books; 20 units in each box of \$40 and \$50 books, and 15 units in each box of \$65 books. (A unit consists of 10 books. Units are separated by dividers.)

A .23 Opening Individual Boxes

Before opening each box, the employee responsible and at least one other person will examine the seal and general condition of the box and count the number of units through the slotted opening to verify that 25 units are contained in each box of \$2 and \$7 books, 25 units in each box of \$10 books; 20 units in each box of \$40 and \$50 books, and 15 units in each box of \$65 books. (A unit consists of 10 books. Units are separated by dividers.) If there are mutilated or mismanufactured coupons or a shortage/overage of coupons, the employee must complete the FNS 43 (see Section 63-705.211).

SUBMITTED FOR REVIEW

JUL 10 1987

OFFICE OF ADMINISTRATIVE LAW

REGULAR
FACE SHEET
FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE OFFICE OF ADMINISTRATIVE LAW

CERTIFICATION: I hereby certify that the attached are true and correct copies of regulations adopted, amended or repealed by this agency and that the information specified on this Face Sheet is true and correct.

DEPARTMENT OF SOCIAL SERVICES

(AGENCY)

Luis S. McHugh

AGENCY OFFICER WITH RULEMAKING AUTHORITY

Date: 6-4-87

For use of Office of Adm Law

FILED
In the office of the Secretary of State
of the State of California

JUL 17 1987
At 1:08 o'clock P.M.
MARCH FONG EU, Secretary of State
By *John Bates*
Deputy Secretary of State

For use by Secretary of State only

1. AGENCY CONTACT PERSON FOR THIS FILING (See instructions)	TITLE	TELEPHONE
Rosalie Clark, Chief	Regulations Development Bureau	445-0313
2. Type of filing, (check one)	<input type="checkbox"/> 30-day Review <input type="checkbox"/> Emergency	<input type="checkbox"/> Certificate of Compliance (Complete Part 4 below)
<input checked="" type="checkbox"/> Regulatory changes resulting from Govt. Code 11349.7 review (Complete Part 6 below) <input type="checkbox"/> Nonsubstantive changes with nonregulatory effect <input type="checkbox"/> Printing Error Correction		
3. a. Specify California Administrative Code title and sections as follows:		
SECTIONS ADOPTED:		
Title <u>MPP</u>	25-250	
SECTIONS AMENDED:		
SECTIONS REPEALED: 10-070		
b. The following sections listed in 3a contain modifications to the text originally made available to the public:		
4. CERTIFICATE OF COMPLIANCE (Government Code Section 11346.1(e): The above-named agency officer certifies that this agency complied with the provisions of Government Code Sections 11346.4-11346.8. (Check one)		
<input type="checkbox"/> prior to the emergency adoption <input type="checkbox"/> within 120 days of the effective date of the emergency adoption of the above-referenced regulations.		
5. Is this filing a resubmittal of a previously disapproved or withdrawn regulation? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, if yes, give date(s) of prior submittal(s) to OAL:		
6. Is the filing submitted to carry out amendments or repeals identified in the statement of review completion submitted as a result of the agency's review of regulations administered by it as of June 30, 1980? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes, if yes, give date statement was submitted to OAL <u>March 7, 1983 (OAL File No. 3-83-1)</u>		
7. If these regulations required prior review and approval or concurrence by any of the following agencies, check appropriate box(es)		
<input type="checkbox"/> Fair Political Practices Commission (Include FPPC approval stamp) <input type="checkbox"/> Building Standards Commission (Attach approval)		
<input type="checkbox"/> State Fire Marshall (Attach approval) <input type="checkbox"/> Department of Finance (Attach properly signed Std. 399)		
<input type="checkbox"/> Other _____ (SPECIFY AGENCY)		
8. a. PUBLICATION DATE OF NOTICE IN CALIFORNIA ADMINISTRATIVE NOTICE REGISTER	b. DATE OF FINAL AGENCY ACTION	c. DATES OF AVAILABILITY OF MODIFIED REGULATION(S) (GOVT. CODE SEC. 11346.8(c))
November 28, 1986	<u>June 4, 1987</u>	N/A
9. Effective date of regulatory changes: (See Government Code Section 11346.2 and instructions on reverse)		
a. <input checked="" type="checkbox"/> Effective 30th day after filing with the Secretary of State.		
b. <input type="checkbox"/> Effective upon filing with the Secretary of State.		
c. <input type="checkbox"/> Effective on _____ as required or allowed by the following statute(s): _____		
d. <input type="checkbox"/> Effective on _____ (Designate effective date <i>earlier than</i> 30 days after filing with the Secretary of State pursuant to Govt. Code Sect. 11346.2(d).)		
e. <input type="checkbox"/> Effective on _____ (Designate effective date <i>later than</i> the normal effective date for the type of ord.)		

Attach request demonstrating good cause for early effective date. Request subject to OAL approval.

INSTRUCTIONS FOR STD 400

Completed Face Sheet for Filing Regulations with the Office of Administrative Law must be attached to the front of each of the seven copies of the regulations. Note that at least one Face Sheet must contain an original signature of the agency officer with rulemaking authority.

Part 1. Provide the name and telephone number of the person who is authorized during the review period to answer questions regarding this regulatory filing. If different than person designated in certification box, attach order delegating authority for making decisions regarding these regulations.

Part 2. Check the appropriate box. NOTE: Nonsubstantive changes are reviewed by and are subject to OAL approval.

Part 3 a. Provide the Administrative Code Title in which the regulation will appear and list *section* number of each regulation to be amended, adopted or repealed. *When filing a Certificate of Compliance list the section number of each emergency regulation formally adopted after completion of the rulemaking procedures of the APA.* (Attach additional sheets if necessary.)

b. Please list the section number of each regulation which includes modifications to the text to the regulations originally made available to the public pursuant to Government Code Section 11346.5(b), and adopted, amended or repealed as modified pursuant to Government Code Section 11346.8(c). The sections listed here must correspond to the sections which were made available for 15 days pursuant to Government Code Section 11346.8(c).

Part 4. Check appropriate box as necessary to comply with the requirements of Government Code Section 11346.1(e).

Part 5. Specify date(s) and file number(s) of each prior submittal of these regulatory changes which was withdrawn or disapproved.

Part 6. OAL has a longer time period to review regulatory changes submitted to carry out amendments and repeals which are identified in the agency's Statement of Review Completion and which have been submitted as a result of the agency's review of regulations administered by it as of June 30, 1980. Therefore, these regulatory changes should be submitted in a separate filing from any other regulatory changes. If not submitted separately, regulations not resulting from the review and any material in the rulemaking file relating to them must be clearly identified.

Part 7. Certain regulatory activities must be reviewed and approved by other state agencies prior to submittal to OAL. Regulations subject to prior approval include:

- Fire and panic safety regulations (Govt. Code Sec. 11342.3.).
- Building standards as defined in Section 18909 of the Health and Safety Code (Govt. Code Sec. 11343).
- Conflict of Interest regulations (Title 2 California Admin. Code Section 18750(i)).

Note: Where regulations have a fiscal impact on state, local or federal government or result in reimbursable costs to local government or school districts the fiscal impact statement must be reviewed, approved and signed by the Department of Finance before the regulations will be accepted for filing by OAL. See Government Code Sections 11349.1, 11346.5(a)(6), and S.A.M. sections 6050-6057.

Part 8 a. Provide the publication date of the Notice Register in which the notice of proposed action appeared.

b. Provide the date on which the regulatory agency adopted the regulatory changes.

c. If the regulations were modified subsequent to the hearing or written comment period, provide the dates during which the modified regulations were made available to the public. Note that period must be at least 15 days and must be completed prior to the date the agency adopts the modified text. All modifications must be clearly indicated.

Part 9. Effective Dates — check one of the following:

- A regulation or order of repeal is effective 30 days after filing with the Secretary of State unless a different date is specified below.
- An emergency order, Certificates of Compliance or nonsubstantive change is effective upon filing with the Secretary of State unless a later date is specified below.
- If an effective date other than specified above is required or allowed by statute, provide the date and the statutory citation(s).
- If an early effective date is being requested, please attach a letter specifying the date the regulation(s) should take effect and the reason for the early effective date. Requests are granted by OAL upon a showing of good cause.
- If an effective date later than specified above is requested, provide the date.

FILING REQUIREMENTS

The following material must be submitted when filing regulations with OAL:

- Seven (7) copies of the regulations. Note: Use underline and strikeout to indicate changes in an existing section. For adoption of a new section, underline new text. The repeal of an entire section may be indicated by placing a diagonal slash through the text to be repealed.
- A completed Face Sheet for filing regulations with the Office of Administrative Law, Form STD 400 attached to the front of each copy of the regulations, with at least one Face Sheet bearing an original signature.
- Complete rulemaking file, with index and sworn statement. (See Govt. Code Sec. 11347.3 for full list of rulemaking contents.)

DELEGATED AUTHORITY ORDER

I hereby authorize and designate Rosalie P. Clark, Chief, Regulations Development Bureau as the agency contact person who has authority to make decisions and answer questions regarding this regulation order.



LINDA S. McMAHON
Director

R .814 Only parties who are deemed appropriate by the audit agency shall be invited to attend entrance and exit interviews at a time and place designated by the audit agency.

E .815 A final audit report shall be mailed to the provider within a reasonable time following the exit interview, such time subject to any changes made necessary by discovery of new information or other changes at the exit interview.

P .82 A final audit report on any federal audit exception applied against a Primary shall be mailed to the provider after the exit interview.

A .83 The provider shall have 60 days from the date of receipt of a final audit report or exception to file a written protest with the SSD. The protest must be accompanied with full supporting documentation. SSD may request additional documentation or information.

L .831 The SSD shall review the protest letter and supporting documentation and issue a decision letter, deeming modifying or sustaining the audit exceptions within 60 days of receipt of the protest.

E .832 If the Primary still does not concur, a written appeal may be filed with the Chief Deputy Director within 30 days of receipt of the decision letter.

E .8321 The written appeal must indicate whether a hearing before the Chief Deputy Director is requested. If a hearing is not requested, the Chief Deputy Director shall decide the appeal based upon the record.

E .8322 If a hearing is requested, the provisions of Section 10-057 shall apply unless inconsistent with this Section. The place and date of the hearing shall be determined by the Chief Deputy Director within 30 days of receipt of the written appeal.

A .8323 The written appeal must be fully supported with documentation specifying the position of the Primary.

L .8324 The Chief Deputy Director shall make a final decision upon the appeal within 30 days of receiving the written appeal or the date of the hearing, unless both parties agree to an extension.

9 Audit recommendations not specific as to money amounts may become the subject of a compliance hearing under the provisions of Section 10-053.

Authority: Welfare and Institutions Code Section 10553 and 10554.

Reference: Welfare and Institutions Code Sections 10553, 10554, and Government Code Section 11349.7.

Adopt MPP Sections 25-250.1 and .41; amend and renumber Section 25-250.1 to .2 et seq. to .3 et seq., 3 et seq. to .4 et seq., .4 to .5, and .5 to .6 to read:

25-250 AUDIT PROCEDURES AND AUDIT APPEALS 25-250
PROCESSES

- 1 Any recipient of funds administered by SDSS shall be subject to audit by SDSS or its agent. The scope of any such audit shall include compliance to applicable state and federal law and regulation, and to administrative instructions.
- 11 Recipient as used in this chapter includes units or divisions of local government (e.g., a county welfare department or a school district), associations or corporations, or an individual, but does not include the beneficiary of aid or services.
- 12 Auditee means a recipient who has been notified of a pending audit, has been audited, or is being audited.

•‡2 BBPSDSS Office Audit of Claims

All claims submitted to BBPSDSS will be subject to audited. The audit shall include verification of state, federal, and county participation, allocations, and computations. The audit may include conformance with regulatory requirements. The audit will be accomplished prior to certification of claims to the State Controller for payment or for credit against a previous balance.

When a claim is corrected or disallowed in part or in total as a result of an BBP SDSS audit, the county auditee will be notified in writing by BBPSDSS after the correction or disallowance is made. The letter shall specify the reason for the adjustment and shall include copies of amended claim summary documents. If the county does not concur with the adjustment, it may appeal in accordance with Section 25-250.34 below.

•‡3 State Field Audit

All relevant claims, accounts, and documents are subject to periodic post audit by representatives of the State. An audit exception may be recorded and a claim cut made when failure to comply with a regulation exists, a substantive and identifiable wrong results from such noncompliance and a specific amount of money can be related to the action.

- 231 Thirty days prior to the start of a state audit the county auditee will be notified of:
 - 2311 The period of time to be audited.
 - 2312 The probable scope of the audit.
 - 2313 The documents which should be made available. Further documentation may be requested as the audit proceeds.
 - 2314 The names of the auditors and the tentative beginning and ending dates of the audit.
- 232 An exit interview will be held in all audits. Counties Auditees will be provided with a copy of the draft audit at least 14 days prior to an exit interview. The exceptions developed by the auditors will be discussed at the exit interview which will be attended by county representatives of BBPs. Audit staff may modify the audit in response to the exit interview, however, the final audit must be published within 60 days after the exit interview.

•34 BBPSDSS Appeal Procedures

- 41 Unless SDSS determines that a different appeal process is available pursuant to statute or regulation for a specific program, the procedures set forth in this section shall apply.
- 342 Where a county an auditee does not concur with a claim adjustment letter or any exception in a published audit, a protest may be filed with BBPSDSS within 60 days of receipt of the published audit or adjustment letter. The protest must be accomplished with full supporting documentation. BBPSDSS may request additional documentation or information.
- 3423 Within 60 days of receipt of the final documentation or information BBPSDSS shall issue a decision letter clearing, modifying or sustaining the adjustment letter or audit exception. If the county auditee does not concur with the decision, it may appeal in accordance with Section 25-250.343 below.
- 3434 If the county auditee does not concur with the decision letter, a written appeal may be filed with the Chief Deputy Director. BBPSDSS will acknowledge promptly such an appeal.

- 34341 The appeal must be filed within 30 days of receipt of the decision letter.
- 34342 The appeal must be written and include the specific adjustments or exceptions objected to.
- 34343 Within 30 days of receipt of an appeal BBPSDSS will provide the county auditee with a list of documents which make up the record upon which the appeal will be decided.
- 34344 The county auditee may add or delete documents and provide any additional arguments or material for inclusion in the record within 30 days of the receipt of the list of documents.
- 34345 The county auditee may request a hearing before the Chief Deputy Director to discuss the matter. If no such request is made the matter will be decided based on the record and the county auditee notified of the final decision within 30 days of receipt of the final documentation, arguments, and materials.
- 34346 Where a hearing has been requested, BBPSDSS will notify the county auditee of the time and place of hearing as soon as possible. Representatives of the county auditee and state will attend the hearing and present information.
- 3445 The Chief Deputy Director will render a written decision based on the record and information presented at the hearing.
- 3456 Any time limit imposed by this section may be modified by BBP SDSS upon a showing of good cause.

• 45 Federal Audit

Fiscal representatives of the DHHS visit each county auditee from time to time to audit records and accounts in support of aid or administration claims for which there is participation of federal funds.

Exceptions developed by fiscal representatives of the DHEWHS are written in formal schedules and are transmitted by that agency to the BBPSDSS. Copies of such schedules as are applicable to the individual county auditee are transmitted to it by the Financial Planning Bureau BBP Fiscal Policies and Procedures Bureau SDSS. The transmittal letter will

indicate the date by which protest material must be submitted by the county auditee, if a protest is made. Any protest shall be filed with the Financial Planning Bureau and Fiscal Policies and Procedures Bureau and shall be accompanied by full supporting data. (See Section 25-250.56)

The BBPSDSS will take action with the DHEWHS to clear, concur in, modify, or appeal the exception. If cleared, no further action is necessary. If concurred in with or modified, the necessary adjustment is made by the BBPSDSS on a current county auditee claim. If the BBPSDSS files an appeal with the DHEWHS, no immediate action is taken to adjust on a current claim. Later, if the appeal is granted, the result will be the same as a clearance with no further action necessary. If the appeal is denied, adjustment will be made by the BBPSDSS on a current county auditee claim or as otherwise appropriate.

UNDER NO CIRCUMSTANCES IS THE COUNTY AUDITEE TO ADJUST EXCEPTIONS CONTAINED IN THE AUDIT REPORTS UNLESS NOTIFIED BY BBPSDSS.

•56 Supporting Data for Audit Issues

Full supporting data to clarify or disprove an audit issue consists of, but is not limited to, the following; copies of pertinent letters, records, and/or additional documents, schedules, and referenced manual sections.

There may be times when presented material or data will not fully justify clearance of audit exceptions but will raise question as to the full validity of the exception. In these instances, counties auditees will be notified that although protest material was not sufficient to clear the audit exception, an ~~reclaim~~ adjustment may be made when the county auditee obtains provides additional supporting data. The reclaim adjustment and supporting data will be subject to subsequent audit verification.

Authority Cited: Sections 10553, 10554, 10603, and 10604, Welfare and Institutions Code.

Reference: Sections 10600, 10602, 10603, 10613, and 15154, Welfare and Institutions Code.

Office of Administrative Law Certification of Approval

I, Linda Hurdle Stockdale Brewer, hereby certify that the regulations submitted in the rulemaking file identified below were reviewed and approved by me this date, in my capacity as the Director of the Office of Administrative Law.

Submitting Agency: Department of Social Services

OAL File No.: 87-0610-01



Linda Hurdle Stockdale Brewer
Director

Date

FACE SHEET

FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE OFFICE OF ADMINISTRATIVE LAW

CERTIFICATION: I hereby certify that the attached are true and correct copies of regulations adopted, amended or repealed by this agency and that the information specified on this Face Sheet is true and correct.

ENDORSED
APPROVED FOR FILING

JUL 1 6 1987

OFFICE OF ADMINISTRATIVE LAW

For use of Office of Adm Law

1. AGENCY CONTACT PERSON FOR THIS FILING
(See instructions)

Rosalie Clark, Chief

Regulations Development Bureau

TITLE

TELEPHONE

445-0313

2. Type of filing, (check one) 30-day Review Emergency

Certificate of Compliance
(Complete Part 4 below)

Regulatory changes resulting from Govt. Code 11349.7 review (Complete Part 6 below)
 Nonsubstantive changes with nonregulatory effect Printing Error Correction

3. a. Specify California Administrative Code title and sections as follows:

Title MPP

SECTIONS ADOPTED:

Chapter 23-600

SECTIONS AMENDED:

10-202, 10-203, and 30-767.121

SECTIONS REPEALED:

b. The following sections listed in 3a contain modifications to the text originally made available to the public:

4. CERTIFICATE OF COMPLIANCE (Government Code Section 11346.1(e): The above-named agency officer certifies that this agency complied with the provisions of Government Code Sections 11346.4-11346.8. (Check one)

prior to the emergency adoption
 within 120 days of the effective date of the emergency adoption of the above-referenced regulations.

5. Is this filing a resubmittal of a previously disapproved or withdrawn regulation?

No Yes, if yes, give date(s) of prior submittal(s) to OAL: January 16, 1987

6. Is the filing submitted to carry out amendments or repeals identified in the statement of review completion submitted as a result of the agency's review of regulations administered by it as of June 30, 1980?

No Yes, if yes, give date statement was submitted to OAL

7. If these regulations required prior review and approval or concurrence by any of the following agencies, check appropriate box(es)

Fair Political Practices Commission
(Include FPPC approval stamp)

Building Standards Commission
(Attach approval)

State Fire Marshall (Attach approval)

Department of Finance (Attach properly signed Std. 399)

Other

(SPECIFY AGENCY)

8. a. PUBLICATION DATE OF NOTICE IN CALIFORNIA
ADMINISTRATIVE NOTICE REGISTER

February 7, 1986

b. DATE OF FINAL AGENCY ACTION

June 17, 1987

c. DATES OF AVAILABILITY OF MODIFIED REGULATION(S) (GOVT.
CODE SEC. 11346.8(c))

9. Effective date of regulatory changes: (See Government Code Section 11346.2 and instructions on reverse)

a. Effective 30th day after filing with the Secretary of State.

b. Effective upon filing with the Secretary of State.

c. Effective on _____ as required or allowed by the following statute(s): _____.

d. Effective on _____ (Designate effective date *earlier than* 30 days after filing with the Secretary of State pursuant to Govt. Code Sect. 11346.2(d).)

Attach request demonstrating good cause for early effective date. Request subject to OAL approval.

e. Effective on _____ (Designate effective date *later than* the normal effective date for the type of order filed.)

SUBMITTED FOR REVIEW

RECEIVED

FILED

In the office of the Secretary of State
of the State of California

JUL 1 6 1987

At 4:35 o'clock P.M.

MARCH FONG EU, Secretary of State

By *John Bates*
Deputy Secretary of State

For use by Secretary of State only

INSTRUCTIONS FOR STD 400

Completed Face Sheet for Filing Regulations with the Office of Administrative Law must be attached to the front of each of the seven copies of the regulations. Note that at least one Face Sheet must contain an original signature of the agency officer with rulemaking authority.

Part 1. Provide the name and telephone number of the person who is authorized during the review period to answer questions regarding this regulatory filing. If different than person designated in certification box, attach order delegating authority for making decisions regarding these regulations.

Part 2. Check the appropriate box. NOTE: Nonsubstantive changes are reviewed by and are subject to OAL approval.

Part 3 a. Provide the Administrative Code Title in which the regulation will appear and list *section* number of each regulation to be amended, adopted or repealed. *When filing a Certificate of Compliance list the section number of each emergency regulation formally adopted after completion of the rulemaking procedures of the APA.* (Attach additional sheets if necessary.)

b. Please list the section number of each regulation which includes modifications to the text to the regulations originally made available to the public pursuant to Government Code Section 11346.5(b), and adopted, amended or repealed as modified pursuant to Government Code Section 11346.8(c). The sections listed here must correspond to the sections which were made available for 15 days pursuant to Government Code Section 11346.8(c).

Part 4. Check appropriate box as necessary to comply with the requirements of Government Code Section 11346.1(e).

Part 5. Specify date(s) and file number(s) of each prior submittal of these regulatory changes which was withdrawn or disapproved.

Part 6. OAL has a longer time period to review regulatory changes submitted to carry out amendments and repeals which are identified in the agency's Statement of Review Completion and which have been submitted as a result of the agency's review of regulations administered by it as of June 30, 1980. Therefore, these regulatory changes should be submitted in a separate filing from any other regulatory changes. If not submitted separately, regulations not resulting from the review and any material in the rulemaking file relating to them must be clearly identified.

Part 7. Certain regulatory activities must be reviewed and approved by other state agencies prior to submittal to OAL. Regulations subject to prior approval include:

a. Fire and panic safety regulations (Govt. Code Sec. 11342.3.).

b. Building standards as defined in Section 18909 of the Health and Safety Code (Govt. Code Sec. 11343).

c. Conflict of Interest regulations (Title 2 California Admin. Code Section 18750(i)).

Note: Where regulations have a fiscal impact on state, local or federal government or result in reimbursable costs to local government or school districts the fiscal impact statement must be reviewed, approved and signed by the Department of Finance before the regulations will be accepted for filing by OAL. See Government Code Sections 11349.1, 11346.5(a)(6), and S.A.M. sections 6050-6057.

Part 8 a. Provide the publication date of the Notice Register in which the notice of proposed action appeared.

b. Provide the date on which the regulatory agency adopted the regulatory changes.

c. If the regulations were modified subsequent to the hearing or written comment period, provide the dates during which the modified regulations were made available to the public. Note that period must be at least 15 days and must be completed prior to the date the agency adopts the modified text. All modifications must be clearly indicated.

Part 9. Effective Dates — check one of the following:

a. A regulation or order of repeal is effective 30 days after filing with the Secretary of State unless a different date is specified below.

b. An emergency order, Certificates of Compliance or nonsubstantive change is effective upon filing with the Secretary of State unless a later date is specified below.

c. If an effective date other than specified above is required or allowed by statute, provide the date and the statutory citations(s).

d. If an early effective date is being requested, please attach a letter specifying the date the regulation(s) should take effect and the reason for the early effective date. Requests are granted by OAL upon a showing of good cause.

e. If an effective date later than specified above is requested, provide the date.

FILING REQUIREMENTS

The following material must be submitted when filing regulations with OAL:

- *Seven (7) copies of the regulations.* Note: Use underline and strikeout to indicate changes in an existing section. For adoption of a new section, underline new text. The repeal of an entire section may be indicated by placing a diagonal slash through the text to be repealed.
- *A completed Face Sheet for filing regulations with the Office of Administrative Law, Form STD 400 attached to the front of each copy of the regulations, with at least one Face Sheet bearing an original signature.*
- *Complete rulemaking file, with index and sworn statement.* (See Govt. Code Sec. 11347.3 for full list of rulemaking contents.)

DELEGATED AUTHORITY ORDER

I hereby authorize and designate Rosalie P. Clark, Chief, Regulations Development Bureau as the agency contact person who has authority to make decisions and answer questions regarding this regulation order.



LINDA S. McMAHON
Director

Amend Section 10-202 to read:

10-202 PURCHASE OF SERVICE FROM AN INDIVIDUAL

10-202

- 1 A service-funded resource activity listed in Section 30-002 and authorized in EASP may be purchased from an individual provider for any of the twenty-one mandated and voluntary service programs in the Pre-Expenditure Report.
- 2 If payment is made by the Primary directly to the recipient or to his or her individual provider, reimbursement for costs claimed is allowable only when such claims are substantiated by a written receipt signed by both the individual provider and the recipient, or the recipient's authorized representative. In addition, the county shall insure that the service provided meets the following conditions:
 - 21 Was provided to a recipient who was eligible to receive the service, and
 - 22 Is identified in EASP, the Pre-Expenditure Report.
- 3 Purchase of service from an individual by the Primary shall be formalized in a written agreement which shall meet at least the following conditions* in accordance with procedures set forth in Chapter 23-600, Purchase of Service.
 - 31 Include all terms of the agreement and be dated and be signed by both parties prior to the date of implementation.
 - 32 Not exceed one year and clearly state the beginning and termination dates.
 - 33 Contain a description of the services to be provided as defined in EASP.
 - 34 Provide for a stated number of units of service at a specific dollar rate* or a specific dollar amount* and provide the State the maximum amount of the contract.
 - 35 Specify the method and source of payment to the provider including collection and disposition of fees if applicable.
 - 36 Include a requirement that the provider meets applicable state and federal standards*.

- 37 Specify the locations to be used in providing services.
- 38 Assure that the provider will agree not to discriminate in the delivery of services on the basis of race, color, creed, national origin, sex, age, or condition of physical or mental handicap will agree to make services accessible to clients with a physical or mental handicap and will safeguard information in accordance with W & I Code Section 10850.
- 39 Specify requirements for fiscal and program responsibility, billing, records, controls, reports, monitoring procedures and any subcontracting arrangements.
- 4 Purchase of service agreements from an individual by the Primary (as described in Section 10-202-3) are subject to competitive bidding and the requirements of Section 10-203 if the annual amount of the agreement exceeds \$10,000.
- 41 Emergency shelter care agreements with an individual providing six or fewer beds are exempt from competitive bidding and the requirements of Section 10-203.
- 42 (Has been deleted.)
- 4-5 Any individual provider is subject to all applicable provisions of Division 10, 23, 25 and 30 and EASP except as noted in Sections 10-202-2 and 14 the Pre-Expenditure Report.
- 6 Any individual provider operating under a purchase of service agreement is subject to all applicable provisions of the Divisions 10 and 30 and EASP the Pre-Expenditure Report.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10600, 12302 and 12302.1, Welfare and Institutions Code; 45 CFR Part 74, Subpart P and 45 Part 96.30.

Amend Section 10-203 to read:

10-203 PURCHASE OF SERVICE FROM A PUBLIC OR PRIVATE AGENCY 10-203

- 1 Any service program or service-funded resource activity defined in Division 30 or authorized in E&SP listed in Section 30-002 may be purchased by the Primary from a public or private agency other than the Primary, directly responsible for the delivery of social services for any of the twenty-one mandated or voluntary service programs in the Pre-Expenditure Report.
- 2 Purchase of services from a public or private agency shall be formalized in a written agreement in accordance with procedures set forth in Chapter 23-600 Purchase of Service.
- 3 Any contract entered into between a Primary and a contract provider which exceeds \$10,000 annually shall be subject to competitive bidding, except in special circumstances with prior approval by the State Department of Social Services (SDSS) such as inadequate number of responsive bidders or contracts using state rates for payment.
 - 3.1 Public notice shall be given to announce the intention to enter into a contract for the purchase of services.
 - 3.2 An invitation for Bid (IFB) shall be prepared according to SSS guidelines and distributed to the potential bidders. The IFB shall be submitted to SSS for review and approval prior to distribution to potential bidders. The IFB shall include, but not be limited to, the following:
 - 3.2.1 A complete description of the services to be purchased, including citation of applicable regulations and instructional materials.
 - 3.2.2 A complete description of the methods to be used in providing the services, including any restrictions on staffing, supervision, salaries and benefits, training, agency certification and other experience and employee qualifications.
 - 3.2.3 Contract specifications and standards.
 - 3.2.4 A statement that successful bidders shall comply with the principles established in 45 CFR Part 74, Subpart B - Cost Principles, Nonprofit

agencies or governmental agencies shall use Appendices A-B of the subpart as appropriate. Proprietary organizations shall apply the cost principles established in 44 CFR Part 315, Subpart F-15-2.

- *225 A statement of bidder and contractor obligations.
- *226 The timetable for the accepting and public opening of bids and the awarding of the contract.
- *227 A statement of the closing date and time and of the place for the acceptance of bids.
- *23 The primary shall award the contract to the lowest responsive and responsible bidder to the invitation for bids approved by the Department.
- *231 A responsive bidder is one whose bid substantially and materially complies with all requirements of the invitation for bids.
- *232 A responsible bidder is one who:
 - a. Possesses adequate financial resources or the ability to obtain such resources as required during performance of the contract and;
 - b. Has the ability to comply with the proposed delivery of performance schedules taking into consideration available expertise and any existing business commitments and;
 - c. Has no record of unsatisfactory performance, lack of integrity or poor business ethics and;
 - d. Is otherwise qualified and eligible to receive an award under Title 44 of the Social Security Act, Division 9 of the Welfare and Institutions Code and Divisions 19 and 30 of the Manual of Policy and Procedures, California Administrative Code.
- *233 Award to a responsive and responsible bidder other than the lowest responsive and responsible bidder is allowable only with the Department's order.

approvate and when the following additional conditions are met:

a* The bidder which is to receive the contract is the current provider of services and

b* The difference between the lowest bid and the bid which is to receive the contract award is less than one-half of one percent (+005) of the lowest bid.

c* The award of the contract to other than the lowest bidder shall be limited to one time in two consecutive bidding periods.

*3 The primary shall evaluate bidders for contracts in accordance with the following provisions:

*31 The prospective contractor shall possess required business license or licenses such as: general business license as a corporation to do business in California; joint business license if two or more contractors are bidding in joint venture; or any other business or professional licenses or certificates required by the nature of the contract work to be performed.

*311 Public agencies which require no such licensure are exempt from *3-293*31*

*32 The prospective contractor shall submit a Statement of Experience. This will as a minimum include the following information:

*321 Business name of the prospective contractor and the legal entity in which a bid will be submitted such as:

*3211 Corporations

*3212 Co-partnerships

*3213 Individuals

*3214 Combinations

*322 The nature of licenses held by the prospective contractor

*323 Number of years the prospective contractor has been in business under the present business name as well as related prior business names.

*324 Number of years of experience the prospective contractor has had in providing required equivalent or related services.

*325 Contracts completed during last five years showing:

- *3251 Years
- *3252 Type of services
- *3253 Dollar amount of services provided
- *3254 Locations
- *3255 Contracting agency

*326 Details of any failure or refusals to complete a contract.

*327 Controlling interest in any other firms providing equivalent or similar services.

*328 Financial interests in other lines of business.

*329 Names of persons with whom the prospective contractor has been associated in business as partners or business associates in each of the last five years.

- *3291 Pending litigations involving prospective contractor or any principal officers thereof in connection with contracts for similar services.
- *3292 Service experience equivalent or similar experience of principal individuals of the prospective contractor's present organization giving:

 - *32921 Names of principal individuals of present organization
 - *32922 Present position of office in present organization

*32923 Years of service experience including capacity, magnitude and type of work

*3293 Equipment owned by the present organization including the following for each item applicable only to that equipment to be used for the direct provisions of services:

*32931 Name

*32932 Description

*32933 Quantity

*32934 Capacity of item

*32935 Purchase price

*32936 Depreciation charged off

*32937 Current book value

*33 The prospective contractor shall:

*331 Have a demonstrated capacity to perform required services on the contracts for which he bids

*332 Have an organization that is adequately staffed and trained to perform the required services or demonstrate capability for recruiting such staff

*333 Assure that the provider will agree not to discriminate in the delivery of services on the basis of race, color, creed, national origin, sex, age or condition of physical or mental handicap and will safeguard information in accordance with H&I Code Section 10850.

*334 Agree to provide County with any other information necessary for an accurate determination of the prospective contractor's qualifications to perform services

*335 Submit the most recent and complete audited financial statement for a fiscal period not more than 18 months old at time of submission.

- ✓ a This statement shall be by an independent, certified public accountant.
- ✓ b In addition to this certified statement, the County may require submission of current financial statements, letters of credit and guarantor letters from related entities.

✓336 Agree to right of BSS to conduct an audit of the prospective contractor's financial records for the purpose of determining the contractor's financial conditions.

- ✓ a This audit may include examination of records of other entities under the same ownership or management.

✓34 Any material information and any investigative findings made by BSH or the Primary shall be used in determining the award of contract.

✓4 BSH shall review and approve the award of a contract.

✓5 A contract shall be prepared in accordance with guidelines issued by SSB. The contract shall be dated and executed by authorized representatives of all parties to the contract prior to the date of implementation and shall include but not necessarily be limited to the following:

- ✓5t All terms and conditions of the contract including but not limited to the following:
- ✓5t1 Definite beginning and termination dates, not exceeding one year.
- ✓5t2 A detailed description of the services to be provided and of the methods, including subcontracting, to be used in carrying out its obligations under the contract.
- ✓5t3 Criteria for eligibility determinations, if to be made by the contractor.
- ✓5t4 A stated number of units of service at a specific dollar rate or a specific dollar amount or a provision that costs be determined in accordance with acceptable cost allocation methods.

- *54 The method and source of payment to the provider including the collection and disposition of fees
- *52 Evidence that the contractor meets state or federal standards as specified in the contract.
- *53 The location of facilities to be used in providing services.
- *54 Provision for informing individuals of the right to a fair hearing if the contractor determines eligibility and procedures for the collection and resolution of client complaints.
- *55 Assurance that the provider will agree not to discriminate in the delivery of services on the basis of race, color, creed, national origin, sex, age or condition of physical or mental handicap and will safeguard information in accordance with WCF Code Section 19850.
- *56 A provision that any subcontracts entered by the contractor shall be subject to the applicable requirements of this Division and that the contractor is responsible for the performance of the subcontractors.
- *57 Specific requirements for fiscal and program responsibility, bidding, records, controls, reports, and monitoring procedures.
- *571 Provision for access to financial and other records pertaining to the program by County, state and federal officials.
- *572 A complete and detailed budget of contractor's income and expenses.
- *6 The Primary shall submit to RAE a performance report and audit of the contractor within two months after each year's termination of the contract, subject to the provisions of Section 19-159.
- *7 Any subcontracts entered into by the contractor shall be subject to the requirements of Division 19-203. The contractor shall be responsible for the performance of the subcontractors.
- *8 Division 19-203 does not apply to services provided by Boarding Homes and Institutions.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10554, 10600, 12302 and 12302.1, Welfare and Institutions Code; 45 CFR Part 74, Subpart P with Appendix G, and 45 CFR 95.30.

Adopt new Chapter 23-600 PURCHASE OF SERVICE to read:

23-600 PURCHASE OF SERVICE

23-600

23-601 PURCHASE OF SERVICE FROM A PUBLIC
OR PRIVATE AGENCY

23-601

H
A .1 The regulations contained in this Chapter provide policies
N and requirements for county welfare departments' purchases of
D services from public or private agencies involving funds
B administered by the State Department of Social Services
O (SDSS). It defines types of contracts and SDSS policies and
K requirements with regard to their use.

.11 When the county has been delegated the authority to
purchase services by contract through SDSS regulations
it shall have the authority to delegate to the
contractor the delivery of services, but the county must
retain ultimate program and fiscal responsibility.

**H
A .11 Contract delegation authority cross-references:**

Section 10-200	Section 29-400
Section 10-201	Section 30-002
Section 10-202	Section 30-767.12
Section 10-203	Section 42-740 - 742
Section 25-830	Section 42-773
Section 28-005	Section 63-601.2

.12 Prior to initiating purchase of service processes,
counties shall research the available resources among
government agencies, and private firms and agencies, to
determine the cost-effectiveness and
program-effectiveness of contracting such services. If
a decision is made to contract, such contracting shall
be consistent with county civil service practices and
regulations.

.121 In developing child welfare services for Emergency
Response Services, Child Protective Services and
Family Maintenance Services, Family Reunification
Services, and Permanent Placement Services the
county shall use available private child welfare
resources prior to developing new county operated
resources when the private resources are at least
of equal quality, and lesser or equal cost as
compared with county operation. However, the

county shall not contract for eligibility determination, needs assessment, or any other activity otherwise prohibited in SDSS regulations.

- 122 The following services are defined in Welfare and Institutions Code Sections:
 - Emergency Response Services
 - Welfare and Institutions Code Section 16504.1
 - Family Maintenance Services
 - Welfare and Institutions Code Section 16506.1
 - Family Reunification Services
 - Welfare and Institutions Code Section 16507.1
 - Permanent Placement Services
 - Welfare and Institutions Code Section 16508.1
- 13 Additional requirements concerning the award of contracts under the Food Stamp Program are contained in Chapter 63-600.
- 14 Additional requirements concerning contracting for electronic data processing are contained in Division 28.
- 15 Additional requirements concerning contracting for the GAIN Program are contained in Section 42-700.
- 16 Whenever the term "costs" is used, SDSS requires that such costs be determined, and/or negotiated in accordance with the appropriate federal standards and principles.

- 161 The current cost principles are as follows:
 - (a) For nonprofit agencies, OMB Circular A-122.
 - (b) For local governments, OMB Circular A-87.
 - (c) For public and nonprofit institutions of higher education, OMB Circular A-121.
 - (d) For profit making organizations, 41 CFR Part 1.
 - (e) For the Food Stamp Program, 7 CFR Part 277.

- 2 Definitions

- 21 "Formal Advertising" means procurement by competitive bids through an invitation for bid or request for proposal and involves the following basic steps:
 - 211 Preparation of an invitation for bid or request for proposal.
 - 212 Publicizing the invitation for bid or request for proposal.
 - 213 Submission of bids or proposals by prospective contractors.
 - 214 Evaluation of the bids or proposals submitted.
 - 215 Award of the contract.
- 22 An "Invitation for Bid" (IFB) means the county's description, in document form, of specific services to be purchased, in addition to other contract requirements. Awards shall be made to the lowest, responsible and responsive bidder.
- 23 A "Request for Proposals" (RFP) means the county's description, in document form, of a specific problem or need to which a vendor describes an approach to a solution or solutions. It also contains other contract requirements. Although price is a key factor, the originality and effectiveness of the proposal and the background and experience of the vendor are evaluated in addition to the bid price.
- 24 A "Responsible Bidder" means one who:
 - 241 Possesses adequate financial resources, or the ability to obtain such resources as required during performance of the contract; and
 - 242 Has the ability to comply with the proposed delivery or performance schedule, taking into consideration available expertise and any existing business commitments; and
 - 243 Has no record of unsatisfactory performance, lack of integrity, or poor business ethics; and
 - 244 Is otherwise qualified and eligible to receive an award under applicable statutes and regulations.

- 25 A "Responsive Bidder" means one whose bid or proposal substantially complies with all requirements of the IEB or RFP.
- 26 a "Preaward Survey" means an evaluation of a prospective contractor's performance capability under the terms of a proposed contract.

Authority Cited: Welfare and Institutions Code Section Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Welfare and Institutions Code Section Sections 10102, 10600, 10800, 12302.1, 16501, 16504.1, 16506.1, 16507.1, 16508.1, 18902 and 18904, Welfare and Institutions Code; 45 CFR Part 74, Subpart P, Appendix G.2b and G.12, 45 CFR 96.30; and 7 CFR 277.14(a)(2) and (h).

- 1 The county shall maintain a written code or standard of conduct that shall govern the performance of its officers, employees and agents engaged in the awarding and administration of contracts that are subject to Chapter 23-600.
- 2 The code or standard shall provide for disciplinary actions to be applied for violations of such code or standard by the county's officers, employees, and agents, including contractors and their agents.
 - 21 Such disciplinary actions shall be required to the extent permissible under the county's laws, rules, or regulations.
- 3 The county's officers, employees and agents, including contractors and their agents, shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or potential contractors.
- 4 No employee, officer, or agent of the county shall participate in the selection, award, or administration of a contract subject to Chapter 23-600 where any of the following has a financial or other interest in that contract:
 - 41 The employee, officer, or agent.
 - 42 Any member of his or her immediate family.
 - 43 His or her business partner.
 - 44 An organization in which any of the above is, or has been during the previous 12 months, an officer, director, board member, employee or consultant.
 - 45 A person or organization with whom any of the above individuals is negotiating employment or has any arrangement concerning prospective employment.
 - 46 Other interests as the county may elect to specify in its Code of Conduct.
- 5 Counties shall follow national policy to award a fair share of business to small, minority, and women-owned firms. The affirmative steps that shall be taken towards this goal are set forth in 45 CFR Part 74, Subpart P, Appendix G.9 and 7 CFR 277.14(e).

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10600, 12302.1, 18902 and 18904, Welfare and Institutions Code. 45 CFR Part 74, Subpart P, Appendix G.7 and G.9; 45 Part 96.30 and 7 CFR 277.14(c) and (e).

This section contains provisions that shall be included in county contracts for services whether procured through formal advertising or negotiation. The requirements shall also apply to subcontracts of any tier under such contracts.

- .1 All contracts shall be written and contain all of the terms and conditions agreed to by the parties and shall constitute the complete agreement between them.
- .2 When available, counties shall utilize SDSS standard contracts and standardized language. Any deviation from a departmental standard contract must have prior SDSS approval. However, a county shall be permitted to add its own contracting requirements to any state standard contract for contracts other than In-Home Supportive Services without prior state approval, as long as the addition does not conflict with the standard contract, standardized language, or the other requirements of these regulations.
- .21 All counties shall be notified in writing when the state requires standard contracts or standardized language. A county seeking deviations from the standards shall make their request in writing, explaining the reasons for the deviations. A county shall seek state approval of such deviations at least 90 days prior to the start of any contracts with the deviation. SDSS shall review the request for deviation in terms of compliance with applicable state and federal laws and regulations, and forward a written response to the county. SDSS will notify the county within fifteen (15) calendar days of receipt, if the required information is complete, or deficient, and within forty-five (45) calendar days upon receipt of complete information of its decision on the deviation.
- .3 Specific components of each contract shall include:
 - .31 Provisions stating the parties to the contract, the purpose of contract, the date of execution and applicable laws and regulations.
 - .32 Definitions of terms unique to the contract or contracted service.

- 33 Duties and responsibilities of the county, the provider, and any joint duties and responsibilities.
- 34 A provision requiring that the contract be signed by authorized representatives of all contracting parties.
- 35 A provision setting forth definite effective and termination dates.
- 36 A budget sheet segregated into direct and indirect costs and profit for the contract. Budgeted expenses shall be reduced by applicable contractor revenues which shall be identified. The line items shall provide sufficient detail to determine the quality and quantity of services to be delivered. The budget shall be made a part of the contract.
- 37 Fiscal provisions which shall include:
 - 371 A provision requiring the contractor to maintain books, records, documents and other evidence pertaining to costs and expenses of the contract.
 - 372 Provisions specifying the method, time, and rates of payment for services, including the abatement or disposition of fees and identification and treatment of other income for costs related to the contract.
 - 373 A provision that the contractors' records shall be open for audit and review by county, state and federal agencies, including SDSS. Such records shall be kept in the State of California for the retention period specified in the contract in accordance with state records retention regulations, Section 23-353.
 - 374 A provision specifying use of the firm-fixed price method of reimbursement. However, agreements for any service to be rendered by any federal, state or local government agency, public university, public college or other public educational institution, shall use the actual cost method of reimbursement, but shall include an estimate of the total amount which shall be adjusted by amendment to reflect actual expenditures.
 - 375 When federal funds are involved, a provision requiring provider compliance with all federal

rules including the applicable sections of the Code of Federal Regulations.

.38 The following general provisions shall be included in the contract, in addition to those set forth above:

- (a) A provision for appropriate remedies, such as fiscal penalties or withholding of payment, in instances where the contractor violates or breaches contract terms.
- (b) A provision for monitoring the contractor's performance to assure compliance with the terms, conditions and specifications of the contract.
- (c) A requirement to comply with the confidentiality provisions of Section 10850 of the Welfare and Institutions Code and MPP Division 19 if the contractor will be working with records covered by those sections.
- (d) A clause prohibiting discrimination by the contractor in either employment practices or delivery of services, in accordance with applicable state and federal regulations.
- (e) A clause recognizing the mandatory standards and policies relating to energy efficiency in the state energy conservation plan. (Title 24, California Administrative Code).
- (f) A clause, in contracts in excess of \$100,000, requiring compliance with Section 306 of the Clean Air Act (42 USC 1857(h)), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738 and Environmental Protection Agency regulations (40 CFR Part 15).
- (g) A clause, in contracts in excess of \$10,000, requiring compliance with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 and as supplemented in Department of Labor regulations (41 CFR Part 60).
- (h) A clause for unilateral termination by the county that includes the methods by which termination will be effected, the basis for settlement, and a description of the conditions under which the contract may be terminated because of

circumstances beyond the control of the contractor.

- (i) A provision for amendments or modifications.
- (j) A provision stating the circumstances, if any, when assignment or subcontracting may be used.
- (k) A provision requiring the contractor to establish a procedure to resolve client grievances.
- (l) Clause(s) providing for bonding, insurance and indemnification, in accordance with the county's established standards.

•4 When amendments appear necessary, the county shall observe the following criteria:

- 41 If a formally advertised contract is amended to increase services within its original term and the amendment will result in a cost increase in excess of ten percent of the contract maximum, the contract shall be rebid, or the price renegotiated to ensure an accurate reflection of fixed and variable costs. However, if renegotiated, the new unit price shall not exceed the unit price as originally determined through competitive selection.
- 42 Any amendment negotiated without competitive bidding shall be negotiated on the basis of amounts reasonable and necessary as documented in writing and maintained in the county records.
- 43 Amendments to contracts for In-Home Supportive Services shall be subject to the same approval requirements as the original contract. The requirements and conditions for approval are contained in Section 23-630.

Authority Cited: Section 10553, Welfare and Institutions Code.

Reference: Sections 10000, 10600, 10850, 12302.1, 18902, and 18904, Welfare and Institutions Code. 45 CFR 74.81, 45 CFR Part 74, Subpart P, Appendix G.12, G.14, G.14a, G.14c, G.14h, G.14i, G.14j, 45 CFR Part 74, Subpart Q, 45 CFR 96.30, OMB Circular A-87, and 7 CFR 277.14(h), (j), (j)(1), (j)(2), (j)(4), (j)(7), (j)(8), and (j)(9).

This section contains the requirements for procurement of services by formal advertising, as defined in Section 23-601.21, and specifies the information which shall be contained in an IFB, as defined in Section 23-601.22, or an RFP, as defined in Section 23-601.23.

(a) Except as provided in Section 23-650, Procurement by Negotiation, all procurements shall be made by formal advertising.

(b) The IFB method of procurement must be used, unless the county documents that the RFP method of procurement is more advantageous, in terms of price and service delivery, before starting the procurement process.

(1) Request for proposal might be used for:

(A) Management studies.

(B) Demonstration Projects (Welfare and Institutions Code Sections 18200-18215) or other services which are new or experimental in nature.

(C) Procurement of professional services in law, medicine or other professions where fee for service is the primary method of payment.

(c) Counties shall obtain prior SDSS approval before using the RFP method for In-Home Supportive Service contracts. The request for using the RFP method shall be in writing and shall include the county's reasons for using the RFP method, and those evaluation factors, other than cost, responsiveness and responsibility which the county plans to use in evaluating contractors.

(1) SDSS will review the reasons and evaluation factors and determine the acceptability of using the RFP method in terms of cost impact, benefit to the program, both locally and statewide, and compliance with state and federal laws and regulations. SDSS will notify the county of its decision in writing. SDSS will notify the county within 15 days of receipt if the required information is complete or deficient and within 45 days, upon receipt of complete information, of its decision on using the RFP method.

(d) An IFB or RFP shall contain at a minimum the information enumerated below, if applicable to the procurement involved and any other information necessary for bid or proposal evaluation. IFBs or RFPs for In-Home Supportive Service contracts shall be submitted to SDSS for review and approval at least 90 days in advance of the proposed distribution date to potential vendors. SDSS will review the procurement document for compliance with applicable state and federal procurement law and regulations, and also those laws and regulations which pertain to the In-Home Supportive Services Program. SDSS will respond in writing, setting forth any changes necessary to bring the procurement document into compliance with the applicable laws and regulations. SDSS will notify the county within 30 calendar days of receipt if the procurement document is complete enough for review and within 60 calendar days, upon receipt of complete information, of its approval, or of any required changes.

- (1) County serial number of the IFB or RFP.
- (2) Name and address of purchasing agency.
- (3) Date of issuance.
- (4) Time and place for submission of bids or proposals, including disposition of late bids or proposals and potential reasons for rejecting all bids or proposals.
- (5) Time and place of bid or proposal opening.
- (6) Period of time for which bid or proposal is to remain in effect.
- (7) Information on any guarantee, performance or payment bond required by the county.
- (8) Bidder's certification that all statements in the bid or proposal are true. This shall constitute a warranty, the falsity of which shall entitle the county to pursue any remedy authorized by law, which shall include the right, at the option of the county, of declaring any contract made as a result thereof to be void.
- (9) When needed for the purpose of bid or proposal evaluation, preaward surveys, or inspection, a requirement that bidders state the place(s), including the street address, from which the services will be furnished.

(10) Description or specification of services to be furnished, or problem to be solved, in sufficient detail to permit full and free competition. The county shall obtain and distribute information from current contractors necessary for fair bidding by all potential vendors.

(11) Quantity of services to be required. If the bidding document gives the county an option to increase or decrease quantities specified, a statement of the maximum percentage of such increase or decrease shall be included.

(12) Any county requirement for the time, place or method of service delivery.

(13) Citation of, and required bidder conformance to, all applicable provisions of law and regulations. These shall include but not be limited to the Social Security Act, the Civil Rights Act, the Clean Air Act, applicable federal regulations, State Energy Efficiency Plan, California Welfare and Institutions Code, and the State Department of Social Services Manual of Policies and Procedures.

(14) Requirement for each bidder to submit a detailed budget and budget narrative wherein line items are identified as yearly or contract period costs, and where applicable, hourly or unit of service costs.

(15) Requirement for bidders to submit a statement of experience which shall include but not be limited to the following information:

(A) Business name and legal business status (i.e., partnership, corporation, etc.) of the prospective contractor.

(B) Number of years the prospective contractor has been in business under the present business name, as well as related prior business names.

(C) Number of years of experience the prospective contractor has had in providing the required, equivalent or related services.

- (D) Contracts completed during last five years showing year, type of services, dollar amount of services provided, location, and contracting agency.
- (E) Details of any failure or refusal to complete a contract.
- (F) Whether the bidder holds a controlling interest in any other organization, or is owned or controlled by any other person or organization. Governmental agencies are exempt from this requirement.
- (G) Financial interests in any other business. Individuals who are personally performing the contracted service and governmental agencies are exempt from this requirement.
- (H) Names of persons with whom the prospective contractor has been associated in business as partners or business associates in the last five years. Governmental agencies are exempt from this requirement.
- (I) Explanation of any litigation involving the prospective contractor or any principal officers thereof, in connection with any contract.
- (J) An explanation of experience in the service to be provided, or equivalent or similar experience of principal individuals of the prospective contractor's present organization.
- (K) A list of major equipment to be used for the direct provision of services.
- (L) An audited financial statement. Such statement shall be the most recent and complete audited financial statement available and for a fiscal period not more than 18 months old at time of submission. This statement shall be by an independent, certified public accountant. If the audit is of a parent firm, the parent firm shall be a party to the contract. The county may require other information in lieu of the certified financial audit, if it is of equal value in determining the fiscal stability of the competing agency. Such other evidence shall be included in the bid document. Individuals who are personally performing the contracted services and

governmental agencies are exempt from this requirement.

- (M) Current financial statements, letters of credit, and guarantor letters from related entities, as required by the county.
- (N) A list of commitments, and potential commitments which may impact assets, lines of credit, guarantor letters, or otherwise affect the bidder's ability to perform the contract.
- (O) Business or professional licenses or certificates required by the nature of the contract work to be performed and held by the contractor.
- (P) An agreement to provide the county with any other information the county determines is necessary for an accurate determination of the prospective contractor's qualifications to perform services.
- (Q) Agreement to right of the county, state and federal governments to audit the prospective contractor's financial and other records.
- (16) Provision regarding the receipt of late bids as specified in Section 23-611.15.
- (17) Description of the evaluation and selection process.
- (18) Time and place for awarding of contract.
- (19) Protest rights as specified in Section 23-624.
- (20) Circumstances under which the IFB or RFP may be cancelled as provided in Section 23-614.
- (21) A statement that funding for the contract shall be contingent upon the availability of state and/or federal funds as appropriate to the funding source.
- (22) A statement noting the existence of any collective bargaining agreement between the current contractor and its workers which is currently in effect within the county.
- (e) All invitations for bids and requests for proposal shall allow sufficient time between the date of publication of the IFB or RFP and the submission date to permit prospective bidders to prepare and submit bids or proposals.

(f) IFBs and RFPs shall be publicized in a sufficient manner to insure open and adequate competition. The manner shall include public advertising.

H In addition, the following methods are suggested to insure adequate competition:

A (1) Copies of the IFB and RFP should be displayed by the county in an appropriate place, accessible to the public.

D (2) A synopsis should be published in a local newspaper of general circulation in sufficient time for potential vendors to receive and respond to the bidding document.

O (3) Either the full IFB or RFP or a notice that bids or proposals are being sought should be delivered to a sufficient number of prospective bidders to insure adequate competition. To facilitate this process, counties should establish and maintain mailing lists of potential bidders, including on the list any potential bidder who requests to be added.

(g) If after issuance of the IFB or RFP, but before the time set for opening, it becomes necessary to make changes in quantities, specification, opening dates, etc., or to correct a defective or ambiguous IFB or RFP, such change shall be accomplished by issuance of an amendment to the IFB or RFP. The amendment shall be sent to each vendor to whom the IFB or RFP has been furnished. The amendment shall be publicly displayed as required in Section 23-610(f)(1) above.

11. Each amendment issued to an IFB or RFP shall:

(A) Be serially numbered.

(B) Include the serial number of the IFB or RFP concerned.

(C) Clearly state the changes made in the IFB or RFP and the extension of time of the submittal date, if any. If no extension of the time set for submission is involved, the amendment shall so state.

(D) Include a warning to potential bidders concerning the effects of failure to comply with the amendment.

(2) Before issuing an amendment, the period of time remaining until the time set for submission, and the need for extending this period by postponing the time set for submission, must be considered. Where only a short time remains before the time set for submission, consideration shall be given to notifying bidders of an extension of time by telegram or telephone. Such notification shall be confirmed in the amendment.

(3) Any information given to a prospective bidder shall be furnished promptly to all other prospective bidders, as an amendment, if such information is necessary to bidders in submitting bids or if the lack of such information would be prejudicial to uninformed bidders. If any amendment is made to the IFB or RFP, no award shall be made unless the amendment has been issued in sufficient time to permit all prospective bidders to consider such information in submitting or modifying their bids or proposals.

(h) IFBs or RFPs shall not be canceled unless cancellation is in the public interest, such as where there is no longer a requirement for the material or service or where amendments would be of such magnitude that a new bidding document is desirable. Where a bidding document is canceled, bids or proposals which have been received shall be returned unopened to the bidders and a notice of cancellation shall be sent to all prospective bidders to whom bidding documents were issued.

(i) The state's time periods, based on actual performance, for reviewing an IFB for In-Home Supportive Services during the two years proceeding the proposal of this section were as follows:

(1) The median time was 42 days.

(2) The minimum time was 10 days.

(3) The maximum time was 113 days.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10600, 12302.1, 18902 and 18904, Welfare and Institutions Code; 45 CFR Part 74, Subpart P, Appendix G.9, G.10, G.10a, G.10b(1)(b), G.11b(1)(a), G.11b(2)(a), G.11b(1)(d), G.11b(2)(b), G.11c(2), G.11c(4); 45 CFR 96.30; and 7 CFR 277.14(e), (f), (f)(1), (g), (g)(2)(i)(A), (g)(2)(i)(B), (g)(2)(i)(C), (g)(2)(i)(D), (g)(3), (g)(3)(i), (g)(3)(iv). Section 15376, Government Code.

This section contains the requirements and policies with respect to the submission of bids or proposals.

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•1 Counties in the management of the bid or proposal process shall require that:

- 11 Bids or proposals shall be submitted so as to be received in the office designated in the bidding document not later than the exact time set for receipt.
- 12 Bids or proposals, with required attachments, shall be submitted in the format specified by the county, and signed. The format shall provide for the desired sequence of the bid content and a model budget.
- 13 Bids or proposals shall be filled out, executed, and submitted in accordance with the instructions which are contained in the IFB or RFP. If the bid or proposal is not submitted in the format specified by the county, it shall be rejected, unless the county determines that the nonconformity is not material, in which case it may be considered only if the bidder meets and accepts all the terms and conditions of the IFB or RFP.
- 14 The county shall observe the following provisions regarding the receipt and consideration of late bids or proposals. Late bids or proposals are those that are received after the exact time set for receipt in the IFB or RFP:
 - 141 Any bid or proposal received at the office designated in the IFB or RFP after the exact time specified for receipt will not be considered unless it is received before award is made and either:
 - (a) The county has set forth an option, to be contained in the bidding document, for acceptance of bids and proposals by registered or certified mail, sent prior to the date specified for the receipt of bids or proposals.
 - (b) It is determined by the county that the late receipt was due solely to mishandling by the county after receipt at the county agency.

.15 The only acceptable evidence to establish whether a bid or proposal is late or meets some of the exceptions listed in Section 23-611.14 and .141 above shall be:

.151 The date of mailing of a bid or proposal, modification, or withdrawal sent either by registered or certified mail is the U.S. Postal Service postmark on the wrapper or the receipt from the U.S. Postal Service. If neither postmark shows a legible date, the bid, modification, or withdrawal shall be deemed to have been mailed late.

.152 The time of receipt at the county agency is the time-date stamp of such county on the bid wrapper or other evidence of receipt maintained by the county.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10600, 12302.1, 18902 and 18904, Welfare and Institutions Code. 45 CFR Part 74, Subpart P, Appendix G.10b(1)(b), and G.11b(2)(a); 45 CFR 96.30; and 7 CFR 277.14(f)(1) and (g)(2)(ii)(A).

This section contains policies and requirements with respect to the receipt and evaluation of bids.

HANDBOOK

- 1 Upon receipt, each bid shall be noted with a separately identifiable bid number, the date and time of receipt.
- 2 All bids received prior to the time set for opening shall be kept unopened and secured in a locked receptacle.
- 3 All responses to IFB's shall be opened publicly and the relevant information announced to all parties present.
 - 31 IFB number.
 - 32 Submission date.
 - 33 General description of service being procured.
 - 34 Names of bidders.
 - 35 Prices bid.
 - 36 Any other information the county determines is necessary.
- 4 Examination of copies of bids by interested persons shall be permitted. However, original bids shall not be circulated.
- 5 If less than three bids have been received, the county shall examine the reasons for the small number of bids received. The purpose of this examination shall be to ascertain whether the small number of responses is attributable to an absence of any of the prerequisites of formal advertising.
- 6 After bids have been opened, award of an IFB must be made to that responsible bidder who submitted the lowest responsive bid unless there is a compelling reason to reject all bids and cancel the bid process. (See Section 23-614.)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10600, 12302.1, 18902 and 18904, Welfare and Institutions Code. 45 CFR Part 74,

Subpart P, Appendix G.10a, G.11b(1)(d),
G.11b(2)(a); 45 CFR 96.30; and 7 CFR 277.14(f),
(g)(2)(ii)(C), and (g)(2)(ii)(D).

- 1 Counties shall use the criteria for receipt and evaluation listed in Section 23-612, with the exception of Section 23-612.3, concerning public opening of bids and Section 23-612.6, concerning awards to the low bidder. However, counties shall be permitted to have public openings of proposals. Counties shall use the following additional criteria in selecting bidders from RFPs.
 - 11 The originality and effectiveness of the bidder's approach to solving the problem presented in the RFP.
 - 12 The bidder's background and experience in working with SDSS funded programs, local government and projects similar to the one proposed.
 - 13 Any cash or in-kind contribution proposed to be included as part of the project.
- 2 Although counties are not required to choose the lowest responsible, responsive bidder to an RFP, cost shall be weighed as a major factor in making the evaluation.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10102, 10600, 12302.1, 18902 and 18904, Welfare and Institutions Code. 45 CFR Part 74, Subpart P, Appendix G.11c(4), 45 CFR 96.30; and 7 CFR 277.14(g)(3)(iv).

•1 The procurement process may be canceled after opening, but prior to award when the contracting officer determines that cancellation is in the best interest of the county.

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•11 Cancellation may be in the best interest of the county for one or more of the following reasons:

- A. Inadequate, ambiguous, or otherwise deficient specifications were cited in the IFB or RFP.
- B. The services are no longer required.
- C. All otherwise acceptable bids or proposals received are at unreasonable prices.
- D. The bids or proposals were not independently arrived at in open competition, were collusive, or were submitted in bad faith.
- E. The bids or proposals received did not provide competition adequate to ensure reasonable prices in accordance with county resources or generally accepted prices.
- F. No bid or proposal is received which meets the minimum requirements of the IFB or RFP.
- G. The county determines after analysis of the bids or proposals, that its needs can be satisfied by a less expensive method.

•2 All bidders shall be notified in writing of the specific reasons when a county rejects all bids or proposals.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10600, 12302.1, 18902 and 18904, Welfare and Institutions Code. 45 CFR Part 74, Subpart P, with Appendix G, 45 CFR 96.30 and 7 CFR 277.14.

- .1 Any bid or proposal which fails to conform to the essential requirements of the bidding document, such as specifications or the delivery schedule, shall be rejected as nonresponsive. Bids or proposals submitted by bidders which do not meet the requirements regarding responsibility specified in Section 23-620 shall also be rejected.
- .11 When rejecting a bid or proposal, the county shall notify each unsuccessful bidder that the bid or proposal has been rejected.
- .12 A bid or proposal should not be rejected when it contains a minor irregularity or when a defect or variation in the bid or proposal is immaterial or inconsequential.
 - .121 A minor irregularity means a defect or variation which is merely a matter of form and not of substance, such as:
 - (a) Failure of the bidder to return the required number of copies.
 - (b) Apparent clerical errors.
- .122 Immaterial or inconsequential means that the defect or variation is insignificant as to price, quantity, quality, or delivery when contrasted with the total costs or scope of the services being procured.
- .123 The county shall give the bidder an opportunity to cure any deficiency resulting from a minor irregularity, immaterial or inconsequential defect in a bid or proposal, or the county may waive such deficiency, whichever is most advantageous to the county.

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Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10600, 12302.1, 18902 and 18904, Welfare and Institutions Code. 45 CFR Part 74,

Subpart P, with Appendix G, 45 CFR 96.30 and 7
CFR 277.14.

23-616 INFORMATION REGARDING RESPONSIBILITY
OF CONTRACTORS

23-616

•1 Generally, information regarding the responsibility of a prospective contractor (see Section 23-601.24), including preaward surveys if needed, shall be obtained promptly after bid opening.

•11 Sources for obtaining information regarding the responsibility of prospective contractors include but are not limited to:

•111 Any list of disbarred, suspended, or ineligible individuals or organizations.

•112 The prospective contractor.

(a) This could include but not be limited to:

(1) Information contained in or attached to bids and proposals.

(2) Replies to questionnaires.

(3) Current financial data, such as balance sheets, profit and loss statements, cash forecasts, loan commitments, and financial histories of the contractor and affiliated organizations.

(4) Resumes of proposed staff.

(5) List of equipment and facilities.

(6) Subcontracts.

•113 Any other information available within government, including records and information known to county personnel.

•114 Other sources. These could include suppliers, subcontractors, professional organizations, other customers of the prospective contractor, and SDSS.

•2 A preaward survey shall be made when the county does not have sufficient information available to make a determination regarding the responsibility of a prospective contractor.

•21 A preaward survey shall obtain needed information on responsibility in such detail as is commensurate with the dollar value and complexity of the procurement. The county identifies the factors which shall receive special attention and makes those factors applicable to all firms responding to the solicitation.

•211 Sources for obtaining preaward survey information include but are not limited to:

- (a) Data on hand.
- (b) Data from other government agencies.
- (c) On-site inspection of facilities to be used for performance of the contract.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10600, 12302.1, 18902 and 18904, Welfare and Institutions Code. 45 CFR Part 74, Subpart P, Appendix G.10b(2). 45 CFR 96.30 and 7 CFR 277.14(f)(2).

- 1 The county shall award the contract to the lowest responsive and responsible bidder to an IFB. In the case of an RFP, the county shall award the contract in accordance with the criteria specified in Section 23-613.
 - 11 A responsive bidder is defined in Section 23-601.25; a responsible bidder is defined in Section 23-601.24.
- 2 When the county has completed their evaluation of bids or proposals and has made a recommendation for award, all bidders shall be notified of this decision as well as the date and time of any public hearing on the proposed contract. For awards of In-Home Supportive Service contracts, the county shall, at the same time, forward to SDSS their recommendation for approval. In support of the recommendation, the county shall also forward copies of all bids or proposals received, and a summary of the county's evaluation, which shall include their reasons for the recommendation and an analysis of the audited financial statement for the recommended contractor. The material shall be forwarded to SDSS at least 60 calendar days before the required Board of Supervisors hearing.
- 3 The state will review this material in order to determine the responsiveness and potential responsibility of the recommended contractor, and conformity of the county's recommendation to the state and federal procurement laws and regulations. Upon making a determination, the state shall respond to the county in writing with an approval or denial of state and federal funding of the award. If the county award is not approved, the state shall set forth the conditions, if any, by which county may gain approval for funding. The state will notify the county within 15 calendar days of receipt if the required material is complete or deficient, and within 45 calendar days, upon receipt of complete information, of its decision on the award.
 - 31 The state's time periods, based on actual performance, for approval of awards for In-Home Supportive Services contracts during the two years preceding the proposal of this section were as follows:
 - 311 The median time was 21 days.
 - 312 The minimum time was 9 days.
 - 313 The maximum time was 85 days.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10600, 12302.1, 18902 and 18904, Welfare and Institutions Code. 45 CFR Part 74; Subpart P, Appendix G-11, 45 CFR 96.30 and 7 CFR 277.14(g). Section 15376, Government Code.

- 1 A contract originally obtained by bid may be renewed without rebidding under the following circumstances if the potential for renewal has been included in the IFB or RFP. Contract terms and rebidding are limited as follows:
- 11 Contracts which are procured by formal advertising (IFB or RFP), or negotiated contracts with other governmental agencies or public education institutions, are normally limited to no more than a three-year term, at which time they must be rebid or, if appropriate, renegotiated under the terms of Section 23-650, Procurement by Negotiation.
- 12 Contracts with private individuals, firms, or agencies which are procured through negotiation, are normally limited to a one year term. Toward the end of the term, the criteria for procurement by negotiation contained in Section 23-650 shall be reapplied to determine whether or not the contract should be procured through formal advertising.
- 13 Contracts for the provision of In-Home Supportive Services shall not exceed two years. However a two-year contract may be renewed at the end of the two-year term without rebidding, for one additional year.
- 14 Contracts for services which implement SDSS sponsored demonstration projects may have terms to cover the length of the project if necessary to maintain the experimental integrity and continuity of the project.
- 15 Contracts for periods longer than those stated above shall be allowed only if SDSS approval is obtained prior to the start of the procurement process.
- 151 Counties shall request extended contract periods in writing, and shall describe the program and cost benefits of a longer contract. Counties shall also describe the level of competition for such contracts in their area.
- 152 SDSS will review the request for cost impact, overall benefit to the program, the impact on competition of the longer term and conformity to state and federal procurement laws and regulations. SDSS will respond to the county in writing, stating its reasons for any denial of a

longer term. SDSS will respond to the county within 15 calendar days of receipt, if the required information is complete or deficient, and within 30 days upon receipt of complete information of its decision on the extended contract term.

•153 The state's time periods, based on actual performance, for approving contracts terms in excess of the terms allowed in regulations during the two years preceding the proposal of these regulations were as follows:

- (a) The median time was 46 days.
- (b) The minimum time was 27 days.
- (c) The maximum time was 88 days.

•16 The rate of reimbursement for an additional period let under the circumstance provided in Section 23-621 shall be negotiated with the existing contractor based on the following:

- 161 Actual expenditures by the contractor, as documented during the first contract term and approved by the county and SDSS.
- 162 Changes in federal, state or county program requirements.
- 163 State and federal minimum wage and contractual step merit increases.
- 164 Changes in statutory taxes.
- 165 Changes in insurance costs.
- 166 Profit may be renegotiated but shall not exceed the percentage of profit, based upon total cost, as bid or negotiated in the first term.
- 167 Other reasonable costs or increases in cost over which the contractor has no control.
- 168 In negotiating costs for an additional term, the county must assure that these costs accurately reflect current contract performance and are not inflated to recover costs which may have been

underbid by the contractor during the original bidding process.

- 169 The county shall assure, by audit if necessary, that all cost increases are reasonable and necessary to the continuation of the contract.
- 17 The duration of Food Stamp Issuance contracts is governed by MPP Section 63-601.242.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10600, 12302.1, 18902 and 18904, Welfare and Institutions Code. 45 CFR Part 74, Subpart P, Appendix G.10a and G.12, 45 CFR 96.30 and 7 CFR 277.14(f) and (h).

- 1 The county shall be permitted to renew a contract which meets the criteria of Section 23-621, above, provided:
 - 11 If approval of the original contract is required by the Board of Supervisors, then the renegotiated contract shall be approved by the Board of Supervisors' in accordance with Section 23-625.
- 2 If the county is unable to renegotiate the contract for the extended term, the county shall be permitted to extend the existing contract for a period not to exceed six (6) months if such an extension is necessary to allow time for new bidding.
- 3 The county shall submit renegotiated contracts for In-Home Supportive Services to SDSS for approval at least 90 calendar days before the County Board of Supervisors' public hearing. The county shall also provide documentation for any cost increases over the original two year contract, to demonstrate their accordance with MPP Section 23-621, and highlight any changes to program policy and other requirements of the contract.
 - 31 The state will review the contract and supporting material for any changes in state or federal laws and regulations affecting the contract, compliance with cost increase standards in MPP Section 23-621 and the appropriateness of any county changes to the contract under state and federal laws and regulations. The state will respond in writing with an approval, conditional approval or denial of funding for the renegotiated contract. If the contract is not approved, the state shall set forth the reasons for denial and conditions, if any, by which the county may gain approval for funding. The state will notify the county within 15 calendar days of receipt if the required material is complete or deficient, and within 45 calendar days upon receipt of complete information of its decision on the contract renegotiation.
 - 32 The state periods, based on actual performance, for processing In-Home Supportive Services third year renewals during the two years preceding the proposal of this section were as follows:
 - 321 The median time was 118 days.

•322 The minimum time was 45 days.

•323 The maximum time was 148 days.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10600, 12302.1, 18902 and 18904, Welfare and Institutions Code. 45 CFR Part 74, Subpart P, Appendix G, 45 CFR 96.30 and 7 CFR 277.14. Section 15376, Government Code.

- 1 The county shall consider any protest or objection regarding the award of a contract, whether submitted before or after the award, provided it is filed within the time period established in the IFB or RFP.
- 2 Written confirmation of all protests shall be requested from the protesting parties. The protesting party shall be notified in writing of the final decision on the protest. The notification shall explain the basis for the decision.
- 3 Upon request, the county shall submit to SDSS a copy of any protest along with a copy of its response to the protest.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10600, 12302.1, 18902 and 18904, Welfare and Institutions Code. 45 CFR Part 74, Subpart P, Appendix G.5, 45 CFR 96.30 and 7 CFR 277.14(i).

- 1 The County Board of Supervisors shall conduct a public hearing for all In-Home Supportive Services contracts. The formal public approval of a contract may constitute the public hearing. The public hearing shall be held at least 30 days prior to the effective date of the contract to allow sufficient time for the filing and resolution of any unresolved protests to the award. Findings based on the public hearing shall be made available to interested parties.
- 2 For contracts other than In-Home Supportive Services, the County Board of Supervisors or, if authorized by the Board, a delegated county department, shall conduct a public hearing on the contract award prior to the effective date of all contracts exceeding \$25,000. It is permissible for the formal public approval of the contract to constitute the public hearing. The public hearing shall be scheduled with sufficient time prior to the effective date of the contracts to allow for resolution of any unresolved protests to the award. Public findings based on the hearings shall be made available to interested parties. Contracts between county agencies shall not require a public hearing.
- 3 Upon completion of the entire selection process, the county shall execute a fixed price contract with the successful bidder in accordance with Section 23-604.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10600, 12302, 12302.1, 18902 and 18904, Welfare and Institutions Code. 45 CFR Part 74, Subpart P, Appendix G, 45 CFR 96.30 and 7 CFR 277.14.

- 1 Contracts, procurements and amendments for the purchase of In-Home Supportive Services and for any other program where state review is required by law or regulation shall be subject to prior SDSS review in accordance with the conditions set forth below.
- 2 When SDSS review is required, SDSS shall notify the county of the time frames necessary to submit information for state review, based on the complexity and volume of the contract material requiring state review.
- 3 Along with the contract, the county shall submit a summary of the procurement if the procurement information has not been previously required. (See Section 23-620 for procurement review of the In-Home Supportive Services Program.) The summary of the procurement shall include the method of procurement, a listing of all bidders or proposers and their bids, and the county's reasons for the selection.
- 4 When submitting a contract amendment, the county shall detail the reason(s) for the amendment, and, if the amendment results in a change of price, a revised contract budget and justification for any price change.
- 5 SDSS will review the contract, procurement summary, or contract amendment for compliance with state and federal program and procurement laws and regulations. SDSS will review contract amendment price changes for reasonableness, necessity, and impact on state and federal funding availability. Upon making a determination, the state shall respond to the county in writing, with an approval or denial of state and federal funding of the contract or amendment. If the contract or amendment is not approved, the state shall set forth conditions, if any, by which the county may gain approval for funding.
- 51 The state shall notify the county within 15 calendar days of receipt if the material is complete or deficient, and within 45 calendar days of receipt of complete information of its decision on contracts, procurement summaries, or amendments.
- 52 The state periods, based on actual performance, for processing the approval of In-Home Supportive Services contracts and amendments during the two years prior to the proposal of this section were as follows:

•521 Contracts

- (a) The median time was 46 days.
- (b) The minimum time was 14 days.
- (c) The maximum time was 310 days.

•522 Contract amendments

- (a) The median time was 115 days.
- (b) The minimum time was 5 days.
- (c) The maximum time was 280 days.

•6 Contracts providing services prior to required state contract approval may not be eligible for state and/or federal financial participation.

•7 Although it is general policy not to require prior review of contracts unless required by law or regulation, SDSS retains the right to audit and evaluate all county contracts both during and after the contract term.

H 8. Upon final approval of a contract, SDSS shall provide claiming clearance for the contract and assign a specific SDSS contract number.

A 9. Additional requirements concerning the review and approval of contracts for electronic data processing are contained in
N Sections 28-105 and 115.

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Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10600, 10602, 12302.1, 15154, 18902 and 18904, Welfare and Institutions Code. 45 CFR Part 74, Subpart J and P, with Appendix G, 45 CFR 96.30 and 7 CFR 277.14. Section 15376, Government Code.

- 1 Counties shall ensure the monitoring and evaluation of contracts for the purchase of social services in accordance with the criteria set forth in Sections 10-150 through 10-153.
- 2 Counties shall ensure the completion of a financial audit for each contract, in accordance with the appropriate state and federal audit standards. Audits shall be permitted either through an independent auditor selected by the contractor and funded through the contract, or by county or contracted staff. Counties shall be permitted to limit audits of fixed price, unit of service contracts with private, proprietary agencies, to compliance audits.

ANDBOOK

The standards for auditing other government agencies are found in OMB Circular No. A-128, and for nonprofit agencies, public hospitals, colleges, and universities in OMB Circular No. A-110.

- 3 Final performance reports and audits shall be completed within 120 days of the completion of a contract. In the case of a multiyear contract, audits shall be performed at least every two years.
- 4 Monitoring, evaluation, and audit reports shall be made available to SDSS upon request.
- 5 Requirements for the audit and evaluation of Food Stamp Issuance contracts are covered in Section 63-601.282.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10600, 12302.1, 18902 and 18904, Welfare and Institutional Code. 45 CFR Part 74, Subparts H, J, and P, with Appendix G, 45 CFR 96.30 and 7 CFR 277.14.

This section contains policies and procedures which shall be observed by counties in procurements by negotiation, as distinguished from formal advertising, and the limitations upon its use.

- .1 Contracts may be negotiated without formal advertising when one or more of the following exists:
 - .11 When a public emergency exists and the urgency is such that time is not available for formal advertising. This should be applied only in emergencies caused by circumstances outside of the county's control and not for delays caused by county inaction.
 - .12 If rates established by the state are to be used for payments and SDSS has notified the counties that formal advertising is not necessary for a particular program.
 - .13 If the aggregate annual amount involved does not exceed \$10,000. However, qualifications and price must still be solicited through a manner consistent with the county's own procurement policies. Selection shall be made using the criteria set forth in Section 23-650.2.
 - .14 For any service to be rendered by any federal, state, or local government agency, public university, public college or other public educational institution. SDSS may require formal advertising when contracts with government agencies or public educational institutions are considered excessive in price when compared to similar services provided through competition, or where competition between public and private agencies is necessary to accomplish program purposes.
 - .15 For services for which it is impracticable to secure competition. This requirement may be satisfied by one of the following:
 - .151 When services can be obtained only from a single source. The determination of single source shall be established through a formal, publically advertised, pre-bid survey to determine that only one source exists or only one source is willing and available to fulfill the contract.
 - .152 When bids or proposals have been solicited and competition is determined to be inadequate.

- 16 For emergency shelter care, contracts providing six (6) or fewer beds.
- 17 If the county develops other innovative methods of selection. Such methods shall require prior approval by SDSS and, when appropriate, by the federal grantor agency. When prior federal approval is required SDSS will request such approval. The county shall request approval of an innovative procurement method in writing, including a description of the method, the benefit to the program of using the method, and level of competition in their area to such contracts.
- 171 The state will review the request for cost impact, overall benefit to the program to be served, and compliance with the state and federal goal, as reflected in these regulations, of encouraging maximum competition. If the state approves of the innovative procurement, it will forward the material, when required, to the appropriate federal grantor agency, with a recommendation for approval. If SDSS denies the request, it will respond to the county giving reasons for the denial, and recommendations, if any, for gaining approval. The state shall also notify the county of federal approval or denial of the innovative procurement method. SDSS will notify the county within 15 calendar days of receipt if the required information is complete or deficient, and within 45 days, upon receipt of complete information for In-Home Supportive Services procurements and 30 days for other procurements, of its decision or that it is forwarding a recommendation for approval to the federal government. SDSS will notify the county within 10 days upon receipt of the federal decision.
- 172 The state has not had any requests for using innovative procurement methods during the past two years. Records from any previous requests are no longer available.
- 18 Other situations, where unique circumstances necessitate procurement by negotiation, shall require prior SDSS approval and, when necessary, federal agency approval.
- 2 Whenever services are to be procured by negotiation, proposals shall be solicited from as many qualified sources as is reasonably practicable. During the course of

negotiations, appropriate factors, including the following, shall be considered:

- 21 Comparison of prices quoted with prices for the same or similar services from other sources.
- 22 Comparison of the business reputation, capacity, and responsibility of the respective persons or firms who submit offers.
- 23 Consideration of the quality of the services offered, including the same or similar services previously furnished, with due regard of conformance with specification requirements.
- 24 Consideration of the existing and potential workload of the persons or firms submitting offers.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10600, 12302.1, 18902 and 18904, Welfare and Institutions Code; 45 CFR 74.160, 45 CFR Part 74, Subpart P, Appendix G.10b(2), G.11a, G.11d(1), G.11d(2), G.11e, G.12, 45 CFR 96.30 and 7 CFR 277.14(f)(2), (g)(1), (g)(4)(i), (g)(4)(ii), (g)(4)(iii), and (h).

Amend Section 30-767.12 to read:

30-767 SERVICE DELIVERY METHODS (Continued)

30-767

.1 (Continued)

.12 Purchase of Service from an Agency (Continued)

.121 The county may contract with an agency to provide service in accordance with the requirements of ~~Division 10~~ Divisions 10 and 23. The contract shall include a provision requiring the contractor to maintain a listing of contract recipients, their authorized hours, service hours provided and the amount paid for those services to the contract agency.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10600, 12302 and 12302.1, Welfare and Institutions Code; 45 CFR Part 74, Subpart P, Appendix G, and 45 CFR 96.30.

Office of Administrative Law Certification of Approval

I, Linda Hurdle Stockdale Brewer, hereby certify that the regulations submitted in the rulemaking file identified below were reviewed and approved by me this date, in my capacity as the Director of the Office of Administrative Law.

Submitting Agency: Department of Social Services

OAL File No.: 87-0617-01




for Linda Hurdle Stockdale Brewer
Director

7/16/87
Date

REVIEW
OFFICE OF ADMINISTRATIVE LAWENDORSED
APPROVED FOR FILING

JUL 17 1987

Office of Administrative Law

For use of Office of Adm Law

FACE SHEET
FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE OFFICE OF ADMINISTRATIVE LAW

CERTIFICATION: I hereby certify that the attached are true and correct copies of regulations adopted, amended or repealed by this agency and that the information specified on this Face Sheet is true and correct.

Department of Social Services

Jill S. McAll
(AGENCY)

AGENCY OFFICER WITH RULEMAKING AUTHORITY

Date: 6/17/87

FILED

In the office of the Secretary of State
of the State of California

JUL 17 1987

At 4:00 o'clock P.M.

MARCH FONG EU, Secretary of State

By *Rosalie Clark*
Deputy Secretary of State

For use by Secretary of State only

1. AGENCY CONTACT PERSON FOR THIS FILING (See instructions)	TITLE	TELEPHONE
Rosalie Clark, Chief	Regulations Development Bureau	445-0313
2. Type of filing, (check one) <input checked="" type="checkbox"/> 30-day Review <input type="checkbox"/> Emergency	<input type="checkbox"/> Certificate of Compliance (Complete Part 4 below)	
<input type="checkbox"/> Regulatory changes resulting from Govt. Code 11349.7 review (Complete Part 6 below)		
<input type="checkbox"/> Nonsubstantive changes with nonregulatory effect	<input type="checkbox"/> Printing Error Correction	
3. a. Specify California Administrative Code title and sections as follows:		
SECTIONS ADOPTED: Title MPP 63-019, 63-601.2 and 63-703.13		
SECTIONS AMENDED:		
SECTIONS REPEALED: 63-601.2		
b. The following sections listed in 3a contain modifications to the text originally made available to the public:		
4. CERTIFICATE OF COMPLIANCE (Government Code Section 11346.1(e)) The above-named agency officer certifies that this agency complied with the provisions of Government Code Sections 11346.4-11346.8. (Check one)		
<input type="checkbox"/> prior to the emergency adoption		
<input type="checkbox"/> within 120 days of the effective date of the emergency adoption of the above-referenced regulations.		
5. Is this filing a resubmittal of a previously disapproved or withdrawn regulation? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes, if yes, give date(s) of prior submittal(s) to OAL: January 16, 1987		
6. Is the filing submitted to carry out amendments or repeals identified in the statement of review completion submitted as a result of the agency's review of regulations administered by it as of June 30, 1980? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, if yes, give date statement was submitted to OAL		
7. If these regulations required prior review and approval or concurrence by any of the following agencies, check appropriate box(es)		
<input type="checkbox"/> Fair Political Practices Commission (Include FPPC approval stamp) <input type="checkbox"/> Building Standards Commission (Attach approval)		
<input type="checkbox"/> State Fire Marshall (Attach approval) <input type="checkbox"/> Department of Finance (Attach properly signed Std. 399)		
Other _____ (SPECIFY AGENCY)		

a. PUBLICATION DATE OF NOTICE IN CALIFORNIA ADMINISTRATIVE NOTICE REGISTER February 7, 1986	b. DATE OF FINAL AGENCY ACTION June 17, 1987	c. DATES OF AVAILABILITY OF MODIFIED REGULATION(S) (GOVT. CODE SEC. 11346.8(c)) Aug. 29, 1986 - Sept. 15, 1986
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9. Effective date of regulatory changes: (See Government Code Section 11346.2 and instructions on reverse)		
a. <input type="checkbox"/> Effective 30th day after filing with the Secretary of State.		
b. <input type="checkbox"/> Effective upon filing with the Secretary of State.		
c. <input type="checkbox"/> Effective on _____ as required or allowed by the following statute(s): _____		
d. <input type="checkbox"/> Effective on _____ (Designate effective date <i>earlier than</i> 30 days after filing with the Secretary of State pursuant to Govt. Code Sect. 11346.2(d).)		
Attach request demonstrating good cause for early effective date. Request subject to OAL approval.		
e. <input checked="" type="checkbox"/> Effective on Sept. 1, 1987 (Designate effective date <i>later than</i> the normal effective date for the type of order filed.)		

INSTRUCTIONS FOR STD 400

Completed Face Sheet for Filing Regulations with the Office of Administrative Law must be attached to the front of each of the seven copies of the regulations. Note that at least one Face Sheet must contain an original signature of the agency officer with rulemaking authority.

- Part 1. Provide the name and telephone number of the person who is authorized during the review period to answer questions regarding this regulatory filing. If different than person designated in certification box, attach order delegating authority for making decisions regarding these regulations.
- Part 2. Check the appropriate box. NOTE: Nonsubstantive changes are reviewed by and are subject to OAL approval.
- Part 3 a. Provide the Administrative Code Title in which the regulation will appear and list *section* number of each regulation to be amended, adopted or repealed. *When filing a Certificate of Compliance list the section number of each emergency regulation formally adopted after completion of the rulemaking procedures of the APA.* (Attach additional sheets if necessary.)
 - b. Please list the section number of each regulation which includes modifications to the text to the regulations originally made available to the public pursuant to Government Code Section 11346.5(b), and adopted, amended or repealed as modified pursuant to Government Code Section 11346.8(c). The sections listed here must correspond to the sections which were made available for 15 days pursuant to Government Code Section 11346.8(c).
- Part 4. Check appropriate box as necessary to comply with the requirements of Government Code Section 11346.1(e).
- Part 5. Specify date(s) and file number(s) of each prior submittal of these regulatory changes which was withdrawn or disapproved.
- Part 6. OAL has a longer time period to review regulatory changes submitted to carry out amendments and repeals which are identified in the agency's Statement of Review Completion and which have been submitted as a result of the agency's review of regulations administered by it as of June 30, 1980. Therefore, these regulatory changes should be submitted in a separate filing from any other regulatory changes. If not submitted separately, regulations not resulting from the review and any material in the rulemaking file relating to them must be clearly identified.
- Part 7. Certain regulatory activities must be reviewed and approved by other state agencies prior to submittal to OAL. Regulations subject to prior approval include:
 - a. Fire and panic safety regulations (Govt. Code Sec. 11342.3.).
 - b. Building standards as defined in Section 18909 of the Health and Safety Code (Govt. Code Sec. 11343).
 - c. Conflict of Interest regulations (Title 2 California Admin. Code Section 18750(i)).

Note: Where regulations have a fiscal impact on state, local or federal government or result in reimbursable costs to local government or school districts the fiscal impact statement must be reviewed, approved and signed by the Department of Finance before the regulations will be accepted for filing by OAL. See Government Code Sections 11349.1, 11346.5(a)(6), and S.A.M. sections 6050-6057.
- Part 8 a. Provide the publication date of the Notice Register in which the notice of proposed action appeared.
 - b. Provide the date on which the regulatory agency adopted the regulatory changes.
 - c. If the regulations were modified subsequent to the hearing or written comment period, provide the dates during which the modified regulations were made available to the public. Note that period must be at least 15 days and must be completed prior to the date the agency adopts the modified text. All modifications must be clearly indicated.
- Part 9. Effective Dates — check one of the following:
 - a. A regulation or order of repeal is effective 30 days after filing with the Secretary of State unless a different date is specified below.
 - b. An emergency order, Certificates of Compliance or nonsubstantive change is effective upon filing with the Secretary of State unless a later date is specified below.
 - c. If an effective date other than specified above is required or allowed by statute, provide the date and the statutory citations(s).
 - d. If an early effective date is being requested, please attach a letter specifying the date the regulation(s) should take effect and the reason for the early effective date. Requests are granted by OAL upon a showing of good cause.
 - e. If an effective date later than specified above is requested, provide the date.

FILING REQUIREMENTS

The following material must be submitted when filing regulations with OAL:

- *Seven (7) copies of the regulations.* Note: Use underline and strikeout to indicate changes in an existing section. For adoption of a new section, underline new text. The repeal of an entire section may be indicated by placing a diagonal slash through the text to be repealed.
- *A completed Face Sheet for filing regulations with the Office of Administrative Law, Form STD 400 attached to the front of each copy of the regulations, with at least one Face Sheet bearing an original signature.*
- *Complete rulemaking file, with index and sworn statement.* (See Govt. Code Sec. 11347.3 for full list of rulemaking contents.)

DELEGATED AUTHORITY ORDER

I hereby authorize and designate Rosalie P. Clark, Chief, Regulations Development Bureau as the agency contact person who has authority to make decisions and answer questions regarding this regulation order.

Linda S. McMahon
LINDA S. McMAHON
Director

Adopt new Section 63-019 to read:

63-019 SCHEDULE FOR THE IMPLEMENTATION OF THE 63-019
REVISED FOOD COUPON ISSUANCE CONTRACT REGULATIONS

CWDs shall implement the amended and adopted provisions of these regulations for all new issuance and/or bulk storage contracts effective the first day of the month following 30 days after filing with the Secretary of State. For existing contracts these regulations must be implemented when a contract is amended, renewed, renegotiated or extended.

The sections affected by these revisions are as follows:

Section 63-601.2 et seq. and Section 63-703.13.

Authority: Welfare and Institutions Code Section 18904.

Reference: Welfare and Institutions Code Section 18902 and 7 CFR 274.1 and 277.14.

Repeal Section 63-601.2 through .28

63-600 COUPON ISSUANCE, USE AND REPLACEMENT

63-601 COUNTY WELFARE DEPARTMENT RESPONSIBILITIES 63-601

(Continued)

~~E~~ .2 County Contracted Issuance Agents (Delegation of Issuance of Food Coupons)

Although eligibility determination and certification processes are required functions of the CWD and cannot be delegated, the issuance and storage of food coupon books can be handled in a variety of ways. The CWD may itself issue and store stamps. Other possible alternatives include issuance and storage by an intracounty agreement with another department, or by contract with federal or state credit unions, banks, federally or state chartered savings and loan associations, United States Postal Service, or other public or private agencies that are fiscally responsible. In all cases the CWD must retain final responsibility for food coupon issuance and is liable for the activity of its agents. In addition, the CWD is liable for all losses of coupons, which occur prior to depositing the coupons with the postal service, even if those losses are the result of the performance of issuance, security, or accountability duties by another party. CWDs must establish the fiscal responsibility of nonbank agents, consider their integrity, evaluate their prior business character and consider financial and technical resources before entering into a contractual agreement. Use of retail food stores that are authorized to redeem coupons as issuance agents is prohibited. Issuance activities assigned to any entity in the same inter-related corporate structure with an authorized retail food store is not to be encouraged. However, such entities may be coupon issuers if they are fiscally autonomous, physically separate and employ a different trade name from the retail food store. Contracts with all such entities must be approved by the FSPMB-SDSS prior to execution. The assignment of issuance activities to firms within the confines of retail food stores is also not encouraged. However, CWDs may contract with a bank or credit union located in such facilities provided that it is financially independent of the retail grocer and is chartered under federal or state law. Each issuance agent must have one or more officially designated receiving agents

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responsible for submitting bulk requests for coupon books, and for receipting for them upon arrival.

•21 Issuance Contracts as Procurements

Procurement of issuance services must be competitive (except for USPS contracts). Invitations for bid shall accurately describe the services to be performed, the specific procedure which must be observed in handling the issuance, reporting, and accounting for coupons, and shall include information on the county's system for rating prospective contractors. The county's rating system must be approved by the FSPMB-SDSS prior to requesting bids. Formal advertising of the invitation to bid, sealed bids, and public openings for bids are required for contracts with an annual value in excess of \$10,000 unless there are specific circumstances which justify negotiation. The FSPMB-DSS must be notified and concur that special circumstances exist before competitive bids can be waived.

•211 (Reserved)

•212 Competitive bidding is not required for amendments to existing contracts (see Section 63-601.24 for additional information on contract amendments).

•213 Awarding of contracts shall be made to the responsible bidder whose bid is responsive to the invitation and is most advantageous to the county, price and service factors considered.

•214 Any or all bids may be rejected if received from organizations that the county feels cannot adequately provide the required issuance services.

If the advertising and bid process does not bring in acceptable bids from the kinds of potential contractors to whom the county is willing to entrust coupons and reporting responsibilities, then the county may seek out acceptable business entities or organizations and come to final agreement with the best qualified with due consideration being given to cost. The FSPMB-SDSS must be notified of these situations prior to any final agreements being made.

•22 Where applications of these procedures have not resulted in the county being able to obtain a satisfactory contractor, the county may find that only a sole source

is available which has the capability of performing the necessary services. Prior approval of FSPMB-SDSS is required before the county negotiates a sole source contract and incurs costs which they expect to become program charges. In addition, for sole source contracts of over \$5,000, prior approval of FNS is required. Justification of the determination that there is no other competent person or firm willing to contract for the issuance services must be documented. At the same time, the county must demonstrate to DSS that the sole source contract meets the other contractor's responsibility criteria which apply to all contractors.

- 221 The county shall respond to all complaints or protests regarding the contracting process within ten days of receipt of the protest. In addition, the county must submit to the FSPMB-DSS a copy of the protest and the county's response.
- 23 Sample Contracts for Contracted Issuance and United States Postal Service Contract. The contracted issuance format shall be used by counties contracting for coupon issuance with banks, federal/state charter savings and loan associations, credit unions, armored car services and all other private or public institution or groups. The United States Postal Service and USDA have signed an agreement which governs coupon issuance by the Postal Service. Counties may negotiate contracts for issuance with local Post Offices so long as the provisions of these contracts do not conflict with these regulations or the federal agreement. Counties wishing to negotiate with USPS must obtain prior FSPMB-SDSS approval.
- 24 Amendments to existing contracts which would decrease services or increase the transaction fee above \$1.10 must be approved by the FSPMB-SDSS prior to execution.
- 25 Contract Approvals
 - 251 No prior approval by FSPMB-SDSS is required if the county's contract contains no changes or modification from the state's model contract and the transaction fee is \$1.10 or less. Otherwise approval is required prior to the final execution of the contract. (For additional information on the State's Model Contract see Chapter 63-1100.)
 - 252 If the agent will need to order coupons from FNS, proposed contracts which require prior approval must be submitted to FSPMB-SDSS at least 75 days

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prior to the planned effective date of the contract. This will allow processing time for contract approval, submission of executed contracts, assigning of 12-digit shipping and 9-digit reporting point codes, and the ordering and receiving of coupons. The reporting point code is necessary for FNS-250 reporting, depositing, and transferring of coupons. The shipping code is necessary to order shipments of coupons from FNS.

- 253 If the agent can obtain his/her/its initial supply of coupons through a transfer from another agent, the county should submit the contracts requiring prior approval to FSPMB-SDSS at least 45 days prior to the planned effective date of the contract.
 - (a) When requesting FSPMB prior approval, counties should indicate in their transmittal letter to FSPMB: The date issuance is to begin, whether a shipping code is needed, and whether initial supplies of FNS Forms 250, 260 and 300 are required.
- 254 If the agent will need to order coupons from FNS, executed contracts must be submitted to FSPMB-SDSS at least 60 days prior to the planned effective date of the contract. If the agent can obtain his/her/its initial supply of coupons through a transfer from another agent, the county should submit the final executed contract at least 30 days prior to the effective date of the contract.
- 26 County Contracts with Issuance Agents -- Opening Procedures. The county must submit to FSPMB-SDSS three signed (with original signatures) copies of new or revised contracts (which have received prior FSPMB approval where necessary) and five copies of revised DFA 298 and DFA 298.2 Information Statements before the county may delegate its food stamp issuing responsibilities to an outside agency. Although only one contract is required with each issuing agency, it must include the responsibilities of the parties regarding all issuance methods employed. Upon receipt of the information statement, SDSS will obtain reporting and/or shipping code(s), as appropriate, for the issuance agent.

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•27 County Contracts with Issuance Agents - Close-Out Procedures

- 271 Wherever it becomes known by the county that any contracted food stamp issuance agent will terminate its food stamp issuance operation, the county shall immediately notify FSPMB-SDSS of the planned closure by means of a revised DFA 298.2. If a coupon issuer or bulk storage point has more than one functioning unit and one of these facilities is terminated, the coupon issuer or bulk storage shall fulfill all close-out requirements as listed below.
- 272 FSPMP-SDSS will inform FNS of the Planned Closure
- 273 During the period of time between the notification of termination and the agent's actual discontinuance of food stamp issuance activity, the county will make a determination regarding the final disposition of the agent's coupon inventory. Prior to the transfer of coupon inventory to another coupon issuer or bulk storage point, the county shall perform an actual physical count of coupons on hand. Coupons may be disposed of in one of the following ways:
 - (a) Self-issuance Counties - Those counties that maintain coupon inventories for issuance by the county shall transfer the terminating agent's coupon inventory to the county's inventory on, or before, the termination date of the agent's contract.
 - (b) Non-County Issuance - Counties which do not themselves maintain an inventory of food coupons must use one of the following methods to dispose of the closing agent's coupon inventory:
 - (1) Interagent Transfer - Counties may transfer a closing agent's inventory to one or more contract issuance agents operating within their county. The agents receiving the coupon should be contracted prior to such transfer and care should be exercised so that their insurance liabilities are not exceeded by the inventory increase.

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(2) Intercounty Transfers - In cases where the county cannot transfer the closing agent's coupon inventory to other agents operating within the county, the county should contract other counties in its immediate geographic area in order to determine whether the coupons could be transferred outside the county (FSPMB-SDSS may be able to assist in this effort).

(3) When the county is unable to dispose of the closing agent's coupon inventory through either interagent or intercounty transfer, the county shall so inform FSPMB-SDSS. FSPMB will then take action to notify the FNS Regional Office in order to have the county's project code temporarily activated as a reporting point code. The county will then assume the storage and reporting responsibility as a temporary bulk storage point for any coupons remaining in the closing agent's inventory.

(4) Reporting Requirements - The final FNS 250 which will be submitted by the agent to the county should show the transfer of all inventory and a zero ending inventory. Proper documentation (FNS 300 or its USPS equivalent) of coupon transfer must accompany the FNS 250. This final FNS 250 may be for a month subsequent to the last month of issuance due to a delay in transferring the coupon inventory. The county, upon receipt of the final or "close-out" FNS 250, will verify the accuracy of the report and transmit it, along with a covering attachment verifying the accuracy of the close-out report and briefly explaining the action taken by the county and requesting a final billing of the closing agent. A copy of the close-out and its covering attachment must be transmitted to FSPMB-SDSS.

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(5) Once closure of the agent has taken place, the county shall arrange for a close-out audit to be performed within 30 days of the termination date. Copies of the report of audit findings shall be submitted to FSPMB-SDSS and to FNS immediately upon its completion. If the audit determines that the final FNS 250 is incorrect, the county shall promptly provide a corrected report to FNS.

(6) Maintenance of Participant Service

(A) At least 30 days before actual termination of a coupon issuer, the county shall notify program participants of the impending closure. Notification shall include identification of alternative issuance locations and available public transportation. The county shall post notices at the offices of the coupon issuer of the impending closure and may use mass media or ATP stuffers to advise participants about the expected closure of the issuance office.

(B) If closure of the issuer will affect a substantial portion of the caseload or a specific geographic area, the county shall take whatever action is necessary to maintain participant service without interruption.

(C) If a coupon issuer or bulk storage point is to be closed for noncompliance with contractual requirements and alternative issuance facilities or systems are not readily available, the county may continue to use the coupon issuer or bulk storage point for a limited time. In these

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situations, the county shall perform weekly onsite reconciliations of coupon issuance. The county shall continue to actively seek other issuance or storage alternatives.

.28 County Monitoring of Issuance Agents

- 281 The county's accountability system shall include procedures for monitoring coupon issuers to assure that the day-to-day operations of all coupon issuers comply with these regulations, to identify and correct deficiencies and to report violations of program requirements to the FSPMB-SDSS and FNS.
- 282 The county shall conduct an onsite review of each coupon issuer and bulk storage point at least once every three years. All offices or units of a coupon issuer are subject to this review requirement. The county shall base each review on the specific activities performed by each coupon issuer or bulk storage point. A physical inventory of coupons shall be taken at each location and that count compared with perpetual inventory records and the monthly reports of the coupon issuer or bulk storage point. This review may be conducted at the offices of subissuers or at each issuance office when a coupon issuer or bulk storage point operates more than one office. The county agency may delegate this review responsibility to another unit of county government or contract with an outside firm with expertise in auditing and accounting. County agencies may use the results of reviews of coupon issuers by independent audit or accounting firms so long as the food coupon issuance operations of the coupon issuer are included in the review. Except in unusual circumstances, the Postal Inspection Service will conduct onsite reviews of post office issuance operations.

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Adopt Sections 63-601.2 through .27 as follows:

63-601 COUNTY WELFARE DEPARTMENT RESPONSIBILITIES (Continued) 63-601

•2 County Welfare Department (Delegation of Food Coupon Issuance) (See the implementation schedule set forth in Section 63-019.)

•21 Delegation Guidelines - General: The issuance and storage of food coupons may be handled by the CWD itself, or by another county department through an intracounty agreement. The CWD may also contract with public, private profit, or private nonprofit entities as agents for the issuance and storage of food coupons. Such contracts shall be made only with responsible contractors who possess the ability to perform successfully under the terms and conditions of the proposed contract. The CWD or its contractors may issue coupons using the methods in Section 63-602. All procurements of issuance/storage contracts shall be conducted in accordance with the requirements of Section 63-601, CWD Responsibilities, and Chapter 23-600, Purchase of Service. Section 63-601 shall supersede Chapter 23-600 in any and all areas where the two sets of requirements differ.

•211 Retail Food Stores

(a) The CWD may not enter into an issuance/storage agent contract with a retail food store that is authorized to redeem coupons. Additionally, issuance/storage activities shall not be delegated to any entity in the same interrelated corporate structure with an authorized retail food store. However, such contracts will be allowed if there is no other reasonable alternative for food coupon issuance/storage and the contractor is fiscally autonomous, physically separate, and employs a different trade name from the retail store.

(b) The CWD also shall not delegate issuance/storage activities to firms located inside a retail food store, except that the CWD may contract with a bank or credit union located in such facilities if

it is financially independent of the retail grocer and is chartered under federal or state law.

•212 CWD Responsibility for Issuance/Storage Activities

The CWD retains final responsibility for food coupon issuance/storage and is liable for the activity of its contracted issuance/storage agents. In addition, the CWD is strictly liable for all losses of coupons, which occur prior to depositing the coupons with the postal service, even if those losses are the result of the performance of issuance, security, or accountability duties by another party. Section 63-603.17 establishes the parameters of county liability for coupons lost after they are deposited with the U.S. Postal Service.

•22 Procurement of Issuance/Storage Contracts

•221 Open and Free Competition

All issuance/storage contract procurements shall be conducted in a manner which maximizes open and free competition in accordance with Section 23-602, Code of Conduct.

•222 Competitive Bidding Procurements

Issuance/storage services which are not performed by the CWD or another public agency must be procured through the competitive bidding process (see Section 63-601.23), except as indicated in •223 and •224 below. The competitive bidding process shall be used to acquire an issuance/storage contractor whenever an existing contract expires or is terminated, or to effect a major contractual change.

•223 United States Postal Services (USPS) Contracts

Contracts with USPS are not procured through the competitive bidding process. Terms of the USPS contracts are contained in an agreement between the United States Department of Agriculture (USDA) and the USPS; however, the CWD may negotiate with USPS on terms and conditions which do not conflict with the provisions specified in the USDA/USPS agreement.

•224 Negotiated Procurements

Under certain circumstances, the competitive bidding process may be waived and the negotiation process used instead. The provisions of Section 23-650, Procurement by Negotiation, establish the procedures and circumstances under which the CWD may use negotiated procurements.

•225 Procurement Records

At a minimum, the CWD shall maintain the following in the procurement files: the contract, and information justifying the procurement method used, the basis for the contract selection or rejection and the basis for the transaction fee. These records shall be maintained for three (3) years after the CWD makes the final payment or until all other pending matters pertaining to this contract are closed, whichever is later.

•23 Competitive Bidding Process

The competitive bidding process includes, but is not limited to, advertising, Invitations for Bid (IFB), as defined by Section 23-601.22 or Request for Proposal (RFP), as defined by Section 23-601.23, sealed bids, public opening of sealed bids, and selection of the most satisfactory bidder. CWDs desiring to use the RFP process shall comply with Section 23-610(b) and (c). The CWD shall ensure that a new contract is operative as an existing contract expires so as to maintain service to participants without interruption. Prior to expiration, if a CWD elects not to continue contracting for issuance/storage services, the CWD shall ensure that coupon issuance/storage is provided so that services are not discontinued (refer to Section 63-601.264).

•231 Advertising of Contract Procurement

The CWD shall utilize advertising mechanisms via mass media to provide potential bidders with a notice of CWD's intent to request bids, in accordance with Section 23-610(f). The notice of intent shall include a statement of the CWD's intent, a description of the services to be performed, and a description of the bidding procedure. Additionally, the CWD shall solicit bids from an adequate number of qualified sources.

•232 Invitation for Bid (IFB) or Request for Proposal (RFP)

(a) The IFB or RFP shall include all applicable information required by Section 23-610(d) plus:

- (1) A request for verification of bidder's insurance coverage (see Section 63-601.3);
- (2) The duration of the contract (refer to Section 63-601.242);
- (3) An accurate description of the services to be performed and the specific procedures which must be observed in handling the issuance, reporting, and accounting of food coupons;
- (4) The method of payment or reimbursement (see Section 63-601.243); and
- (5) Instructions for bidders to sign completed bids.

(b) IFPs and RFPs do not require the prior approval of SDSS.

(c) Amendments or corrections to IFB/RFP shall be made in accordance with Section 23-610(g).

•233 Review and Selection Process

(a) Review Criteria

The CWD shall develop criteria for reviewing and evaluating IFBs and RFPs. At a minimum, the criteria shall determine contractor integrity, fiscal responsibility, record of past performance, and financial and technical resources.

(b) Bid Openings

All bids shall be publicly opened in accordance with Section 23-612.1-6.

(c) Evaluation of Bids

Upon receipt and opening of all bids, the CWD shall review and evaluate the bids utilizing the established criteria (see (a) above).

(d) Contract Award

The CWD shall award the contract in accordance with the provisions of Section 23-620.

•234 Rejection of Bids

(a) The CWD shall reject bids or proposals in accordance with the provisions of Section 23-615.

•235 Late Bids

The CWD shall comply with the procedures required by Section 23-611.14 and .15 for handling late bids.

•236 Protests

The CWD shall handle complaints and protests in accordance with the provisions of Section 23-624.

•24 Issuance/Storage Contract Requirements

•241 Contract Provisions

All issuance/storage contracts must:

(a) Meet all of the requirements of MPP Chapter 23-600, Purchase of Services.

(b) Contain specific provisions setting forth the duties and responsibilities, as set forth in MPP Chapters 63-600 and 63-700 of the issuance/storage agent including any duties or responsibilities required of the CWD by those regulations but delegated by the CWD to the issuance/storage agent.

(c) Provide that the issuance/storage agent will comply with all state and federal

statutes, regulations, and instructions applicable to the Food Stamp Program.

•242 Contract Duration

Except USPS contracts, for which there is no time limitation, all issuance/storage contracts shall contain a specified duration period determined by the county. Each contract shall contain an effective date and a termination date. The contract duration period may be extended one time only for a maximum one-year period.

•243 Transaction Fee

- (a) Issuance/storage contracts shall specify a fee per transaction for all services provided under the contractual agreement.
- (b) Contracts which exceed one year in duration (see Section 63-601.242) may include a provision allowing for an adjustment in the transaction fee on an annual basis in accordance with Section 23-621.16. Such an adjustment shall be specified in the IFB/RFP and the contract.

•244 Contract Amendments

(a) Changes Requiring Competitive Bid

Amendments to contracts which result in a major change shall not be allowed without re-bidding. Major changes shall include but not be limited to the following:

- (1) An increase in the transaction fee except for annual rate adjustments which are provided for in the original contract under Section 63-601.243;
- (2) A decrease in issuance/storage services;
- (3) A change in the type of issuance/storage system, unless SDSS has determined that the proposed change is not in fact a major change;

(4) An addition of a new geographical service area;

(5) A deletion of any issuance site

(b) Amendment Process

Competitive bidding is not required for amendments to existing contracts which do not result in major changes.

•25 Reporting and Shipping Codes

Prior to contract implementation the CWD shall contact FNS and obtain reporting and/or shipping code(s) for the issuance agent/bulk storage point.

•26 CWD Contracts with Issuance Agents/Bulk Storage Points Close-out procedures.

The Close-out procedures shall be met whenever all or any part of an issuance agent's or bulk storage point's operations are to be terminated.

•261 Notification of Planned Closure

Wherever it becomes known by the CWD that any contract issuance agent or bulk storage point will terminate all or any part of its food stamp issuance/storage operations, the CWD shall immediately notify SDSS of the planned closure. The CWD shall also inform FNS of the planned closure.

•262 During the period of time between the notification of termination and the agent's actual discontinuance of issuance/storage activity, the CWD shall make a determination regarding the final disposition of the agent's coupon inventory. At the time of the transfer of coupon inventory to another coupon issuer or bulk storage point, the CWD shall perform an actual physical count of coupons on hand. Coupons shall be disposed of in the following ways:

(a) Self-issuance counties - Those counties that maintain coupon inventories for issuance/storage by the CWD shall transfer the terminating agent's coupon inventory to

the CWD's inventory on, or before, the termination date of the agent's contract.

(b) Noncounty Issuance - CWDs which do not themselves maintain an inventory of food coupons shall use the following methods to dispose of the closing agent's coupon inventory:

(1) Interagent Transfer - CWDs may transfer a closing agent's inventory to one or more contract issuance/storage agents operating within their county. The agents receiving the coupons shall be contacted prior to such transfer. The agent shall maintain sufficient insurance coverage to accommodate the increased inventory as required by Section 63-601.31.

(2) Intercity Transfers - In cases where the CWD cannot transfer the closing agent's coupon inventory to another agent(s) operating within the county, the CWD shall contact other CWDs in its immediate geographic area in order to determine whether the coupons can be transferred to another CWD.

(3) When the CWD is unable to dispose of the closing agent's coupon inventory through either interagent or intercity transfer, the CWD shall assume the storage and reporting responsibility as a temporary bulk storage point for these coupons.

(4) Reporting requirements - The final Food Coupon Accountability Report (FNS 250) which is submitted by the agent to the CWD shall show the transfer of all inventory and a zero ending inventory. Proper documentation of coupon transfer FNS 300 or its USPS equivalent shall accompany the FNS 250. The CWD, upon

receipt of the final FNS 250, shall verify the accuracy of the report and transmit it to FNS with a copy to SDSS.

.263 Close-Out Audit

Once closure of the agency has taken place, the CWD shall arrange for a close-out audit to be performed within 30 days of the termination date. Copies of the report of audit findings shall be submitted to SDSS and to FNS immediately upon completion. If the audit determines that the final FNS 250 is incorrect, the CWD shall promptly provide a corrected report to SDSS and FNS.

.264 Maintenance of Participant Service

- (a) At least 30 days before actual termination of a coupon issuance contract, the CWD shall notify program participants of the impending closure of the issuance site. Notification shall include identification of alternative issuance locations and available public transportation. The CWD shall post notices at the offices of the coupon issuer of the impending closure and may use mass media or ATP stuffers to advise participants about the expected closure of the issuance office.
- (b) Whenever an issuance facility is closed, the CWD shall take the appropriate action to maintain participant service without interruption.
- (c) If a coupon issuance agency or bulk storage point is to be closed for noncompliance with contractual requirements and alternative issuance facilities or systems are not readily available, the CWD may continue to use the coupon issuance agency or bulk storage point for a limited time. In these situations, the CWD shall perform weekly onsite reconciliations of coupon issuance. The CWD shall continue to actively seek other issuance or storage alternatives.

.27 CWD Monitoring of Issuance Agents

•271 CWD Monitoring Responsibility - Issuance Agent/Bulk Storage Points

The CWDs shall have procedures for monitoring coupon issuers/bulk storage point, including their own operation if they are self-issuers, to assure that their day-to-day operations comply with these regulations, and to identify and correct deficiencies and violations of program requirements.

•272 Onsite Audits

(a) The CWD shall have a financial and compliance onsite audit of each coupon issuance agency and bulk storage point conducted at least once a year. All offices or units of a coupon issuer/bulk storage point are subject to this audit requirement. The CWD audit shall be based on the specific activities performed by each coupon issuer or bulk storage point. A physical inventory of coupons shall be taken at each location and that count compared with perpetual inventory records and the monthly reports of the coupon issuer or bulk storage point.

(b) The annual financial and compliance onsite audit conducted at each coupon issuance agency and bulk storage point shall include, but not be limited to, the following audit requirements and responsibilities:

- (1) Percentage of expired and/or altered ATPs that were cashed.
- (2) Percentage of duplicate ATPs that were cashed, as well as the original ATP (CWD only).
- (3) Internal control system:
 - (A) Access to work area
 - (B) Reconciliation process
 - (C) Separation of duties

- (4) Hours of operation
- (5) Food coupon replacement system
 - (A) Centrally (onsite)
 - (B) Locally (nearby) "replacement" office
- (6) Security system
- (7) Recorded inventory versus actual amount on hand
- (8) The process for handling partial/defective coupons
- (9) The process for destroying coupons
- (10) The record keeping system
- (11) Comparison of the number of food coupons issued as recorded by the issuance/storage site to the contract cost.

(c) The CWD is responsible for the required audit. The CWD may have the audit performed by another unit of county government or contract with an independent certified public accountant. CWDs may use the results of audits of coupon issuance/storage agency by independent audit or accounting firms so long as the food coupon issuance/storage operations of the agent are included in the audit. Except in unusual circumstances, the Postal Inspection Service will conduct onsite audits of post office issuance operations.

Authority: Welfare and Institutions Code Section 18904.

Reference: Welfare and Institutions Code Section 18902; and 7 CFR 272, 274.1, 274.8, 274.9, and 277.14.

Adopt Section 63-703.13 to read:

63-703 HOW TO ORDER BULK SUPPLIES OF FOOD STAMPS COUPON 63-703

.1 Prerequisites to Ordering (Continued)

.13 The CWD or its contracted issuance agent shall officially designate one or more agents responsible for ordering bulk supplies of food coupon and documenting their receipt.

Authority: Welfare and Institutions Code Section 18904.

Reference: Welfare and Institutions Code Section 18902 and 7 CFR 274.1 and 274.4.

Office of Administrative Law Certification of Approval

I, Linda Hurdle Stockdale Brewer, hereby certify that the regulations submitted in the rulemaking file identified below were reviewed and approved by me this date, in my capacity as the Director of the Office of Administrative Law.

Submitting Agency: Department of Social Services

OAL File No.: 87-0617-02R



Linda Hurdle Stockdale Brewer
for *Linda Hurdle Stockdale Brewer*
Director

7/17/87
Date

JUL 21 1987

OFFICE OF ADMINISTRATIVE LAW

ENDORSED
APPROVED FOR FILING

JUL 28 1987

Office of Administrative Law

For use of Office of Adm Law

FACE SHEET

FOR FILING ADMINISTRATIVE REGULATIONS WITH THE OFFICE OF ADMINISTRATIVE LAW

CERTIFICATION: I hereby certify that the attached are true and correct copies of regulations adopted, amended or repealed by this agency and that the information specified on this Face Sheet is true and correct.

EMERGENCY	
Department of Social Services	
(AGENCY)	
<i>Lil S. Mohr</i>	
AGENCY OFFICER WITH RULEMAKING AUTHORITY	
Date: 7/16/87	

87-0721-02 E

(See Instructions on Reverse)

RDB 7/31
FILED
In the office of the Secretary of State
of the State of California

JUL 28 1987
At 4:15 o'clock P.M.
MARCH FONG EU, Secretary of State
By *John D. Bates*
Deputy Secretary of State

For use by Secretary of State only

1. AGENCY CONTACT PERSON FOR THIS FILING (See instructions)	TITLE	TELEPHONE
Rosalie Clark	Chief, Regulations Development Bureau	445-0313
2. Type of filing, (check one)	<input type="checkbox"/> 30-day Review <input checked="" type="checkbox"/> Emergency <input type="checkbox"/> Certificate of Compliance (Complete Part 4 below)	
<input type="checkbox"/> Regulatory changes resulting from Govt. Code 11349.7 review (Complete Part 6 below) <input type="checkbox"/> Nonsubstantive changes with nonregulatory effect <input type="checkbox"/> Printing Error Correction		
3. a. Specify California Administrative Code title and sections as follows:	SECTIONS ADOPTED: 63-608-068 APPROVED SECTIONS AMENDED: 63-502.352(a)(1) and 63-503.254(a) SECTIONS REPEALED:	
b. The following sections listed in 3a contain modifications to the text originally made available to the public:		
4. CERTIFICATE OF COMPLIANCE (Government Code Section 11346.1(e): The above-named agency officer certifies that this agency complied with the provisions of Government Code Sections 11346.4-11346.8. (Check one)	<input type="checkbox"/> prior to the emergency adoption <input type="checkbox"/> within 120 days of the effective date of the emergency adoption of the above-referenced regulations.	
5. Is this filing a resubmittal of a previously disapproved or withdrawn regulation?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, if yes, give date(s) of prior submittal(s) to OAL:	
6. Is the filing submitted to carry out amendments or repeals identified in the statement of review completion submitted as a result of the agency's review of regulations administered by it as of June 30, 1980?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, if yes, give date statement was submitted to OAL	
7. If these regulations required prior review and approval or concurrence by any of the following agencies, check appropriate box(es)	<input type="checkbox"/> Fair Political Practices Commission (Include FPPC approval stamp) <input type="checkbox"/> Building Standards Commission (Attach approval) <input type="checkbox"/> State Fire Marshall (Attach approval) <input type="checkbox"/> Department of Finance (Attach properly signed Std. 399) <input type="checkbox"/> Other _____	
8. a. PUBLICATION DATE OF NOTICE IN CALIFORNIA ADMINISTRATIVE NOTICE REGISTER N/A	b. DATE OF FINAL AGENCY ACTION July 20, 1987	c. DATES OF AVAILABILITY OF MODIFIED REGULATION(S) (GOVT. CODE SEC. 11346.8(c))
9. Effective date of regulatory changes: (See Government Code Section 11346.2 and instructions on reverse)		
a. <input type="checkbox"/> Effective 30th day after filing with the Secretary of State. b. <input checked="" type="checkbox"/> Effective upon filing with the Secretary of State. (08-01-87) c. <input type="checkbox"/> Effective on _____ as required or allowed by the following statute(s): d. <input type="checkbox"/> Effective on _____ (Designate effective date <i>earlier than</i> 30 days after filing with the Secretary of State pursuant to Govt. Code Sect. 11346.2(d).) Attach request demonstrating good cause for early effective date. Request subject to OAL approval. e. <input type="checkbox"/> Effective on _____ (Designate effective date <i>later than</i> the normal effective date for the type of order filed.)		

INSTRUCTIONS FOR STD 400

Completed Face Sheet for Filing Regulations with the Office of Administrative Law must be attached to the front of each of the seven copies of the regulations. Note that at least one Face Sheet must contain an original signature of the agency officer with rulemaking authority.

Part 1. Provide the name and telephone number of the person who is authorized during the review period to answer questions regarding this regulatory filing. If different than person designated in certification box, attach order delegating authority for making decisions regarding these regulations.

Part 2. Check the appropriate box. NOTE: Nonsubstantive changes are reviewed by and are subject to OAL approval.

Part 3 a. Provide the Administrative Code Title in which the regulation will appear and list *section* number of each regulation to be amended, adopted or repealed. *When filing a Certificate of Compliance list the section number of each emergency regulation formally adopted after completion of the rulemaking procedures of the APA.* (Attach additional sheets if necessary.)

b. Please list the section number of each regulation which includes modifications to the text to the regulations originally made available to the public pursuant to Government Code Section 11346.5(b), and adopted, amended or repealed as modified pursuant to Government Code Section 11346.8(c). The sections listed here must correspond to the sections which were made available for 15 days pursuant to Government Code Section 11346.8(c).

Part 4. Check appropriate box as necessary to comply with the requirements of Government Code Section 11346.1(e).

Part 5. Specify date(s) and file number(s) of each prior submittal of these regulatory changes which was withdrawn or disapproved.

Part 6. OAL has a longer time period to review regulatory changes submitted to carry out amendments and repeals which are identified in the agency's Statement of Review Completion and which have been submitted as a result of the agency's review of regulations administered by it as of June 30, 1980. Therefore, these regulatory changes should be submitted in a separate filing from any other regulatory changes. If not submitted separately, regulations not resulting from the review and any material in the rulemaking file relating to them must be clearly identified.

Part 7. Certain regulatory activities must be reviewed and approved by other state agencies prior to submittal to OAL. Regulations subject to prior approval include:

- Fire and panic safety regulations (Govt. Code Sec. 11342.3.).
- Building standards as defined in Section 18909 of the Health and Safety Code (Govt. Code Sec. 11343).
- Conflict of Interest regulations (Title 2 California Admin. Code Section 18750(i)).

Note: Where regulations have a fiscal impact on state, local or federal government or result in reimbursable costs to local government or school districts the fiscal impact statement must be reviewed, approved and signed by the Department of Finance before the regulations will be accepted for filing by OAL. See Government Code Sections 11349.1, 11346.5(a)(6), and S.A.M. sections 6050-6057.

Part 8 a. Provide the publication date of the Notice Register in which the notice of proposed action appeared.

b. Provide the date on which the regulatory agency adopted the regulatory changes.

c. If the regulations were modified subsequent to the hearing or written comment period, provide the dates during which the modified regulations were made available to the public. Note that period must be at least 15 days and must be completed prior to the date the agency adopts the modified text. All modifications must be clearly indicated.

Part 9. Effective Dates — check one of the following:

- A regulation or order of repeal is effective 30 days after filing with the Secretary of State unless a different date is specified below.
- An emergency order, Certificates of Compliance or nonsubstantive change is effective upon filing with the Secretary of State unless a later date is specified below.
- If an effective date other than specified above is required or allowed by statute, provide the date and the statutory citations(s).
- If an early effective date is being requested, please attach a letter specifying the date the regulation(s) should take effect and the reason for the early effective date. Requests are granted by OAL upon a showing of good cause.
- If an effective date later than specified above is requested, provide the date.

FILING REQUIREMENTS

The following material must be submitted when filing regulations with OAL:

- *Seven (7) copies of the regulations.* Note: Use underline and strikeout to indicate changes in an existing section. For adoption of a new section, underline new text. The repeal of an entire section may be indicated by placing a diagonal slash through the text to be repealed.
- *A completed Face Sheet for filing regulations with the Office of Administrative Law, Form STD 400 attached to the front of each copy of the regulations, with at least one Face Sheet bearing an original signature.*
- *Complete rulemaking file, with index and sworn statement.* (See Govt. Code Sec. 11347.3 for full list of rulemaking contents.)

DELEGATED AUTHORITY ORDER

I hereby authorize and designate Rosalie P. Clark, Chief, Regulations Development Bureau as the agency contact person who has authority to make decisions and answer questions regarding this regulation order.



LINDA S. McMAHON
Director

Adopt Section 63-068 to read:

63-068 IMPLEMENTATION OF ENERGY ASSISTANCE PAYMENTS 63-068

- 1 Sections 63-502.352(a) and 63-503.254 as amended herein shall become effective August 1, 1987.
- 2 Beginning August 1, 1987 CWDs shall implement the required program changes for all new applications.
- 3 The CWDs shall implement these required program changes for currently participating households at the household's request, at termination or recertification, whichever occurs first.
- 4 A determination of entitlement to a restoration of lost benefits shall be made either upon request of the household, or when the CWD becomes aware that a household was denied benefits or would have been eligible for a higher allotment, and implemented as follows:
 - 41 Any household that was denied benefits shall receive restored benefits back to October 1, 1986 or the date of application, whichever is later.
 - 42 Currently participating households shall receive benefits back to October 1, 1986 or the first month in which application of these provisions would have affected the household's benefits, whichever is later.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: 7 CFR 272.1(a)(84).

Amend Section 63-502.352(a)(1) to read:

63-502 INCOME, EXCLUSIONS AND DEDUCTIONS (Continued) 63-502

•3 Income Deductions (Continued)

•35 Shelter Costs (Continued)

•352 Standard Utility Allowance

(a) The standard utility allowance (SUA) may be used in calculating shelter costs of those households which incur heating or cooling costs separate and apart from their rent or mortgage payments, including residents of rental housing who are billed on a monthly basis by their landlords for actual usage as determined through individual metering.

(1) The SUA shall also be made available to households receiving energy assistance vendor payments but made under the Low Income Home Energy Assistance Act (LIHEAA) of 1981. Households which receive energy assistance vendor payments made under a program other than the LIHEAA of 1981, are eligible for the SUA only if they who continue to incur out-of-pocket heating or cooling expenses during any month covered by the certification period. To determine if a household incurs out-of-pocket heating or cooling expenses in addition to the energy assistance vendor payments, the CWD shall prorate the energy assistance payments over the entire heating or cooling season the payment is intended to cover.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: 7 CFR 273.9(d)(6)(ii) and 273.10(d)(6).

Amend Section 63-503.254(a) to read:

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFITS LEVELS 63-503
(Continued)

•2 Determining Resources, Income and Deductions (Continued)

•25 Determining Deductions For All Households (Continued)

•254 Disallowed Expenses.

a. An expense covered by an excluded reimbursement or vendor payment shall not be deductible except for energy assistance vendor payments made under the LIHEAA of 1981. For example, the portion of rent covered by excluded vendor payments shall not be calculated as part of the household's shelter cost. (Continued)

Authority Cited: Sections 10553, 10554, and 13904, Welfare and Institutions Code.

Reference: 7 CFR 273.10(d)(1)(i).

Office of Administrative Law Certification of Approval

I, Linda Hurdle Stockdale Brewer, hereby certify that the regulations submitted in the rulemaking file identified below were reviewed and approved by me this date, in my capacity as the Director of the Office of Administrative Law.

Submitting Agency: Department of Social Services

OAL File No.: 87-0721-02E



Linda Hurdle Stockdale Brewer
Director

7/22/87

Date

SUBMITTED FOR REVIEW

OFFICE OF ADMINISTRATIVE LAW

ENDORSED
APPROVED FOR FILING

JUL 30 1987

Office of Administrative Law

For use of Office of Adm Law

RECEIVED
FACE SHEET
FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE OFFICE OF ADMINISTRATIVE LAW

CERTIFICATION: I hereby certify that the attached are true and correct copies of regulations adopted, amended or repealed by this agency and that the information specified on this Face Sheet is true and correct.

STATE DEPARTMENT OF SOCIAL SERVICES

(AGENCY)

Lin S. McHugh

AGENCY OFFICER WITH RULEMAKING AUTHORITY

Date: 6/25/87

RDB #0786-29

Sh-001-02
(See Instructions on Reverse)

FILED

In the office of the Secretary of State
of the State of California

At 4:45 o'clock P.M.
MARCH 20, 1987
By John C. Miller
Deputy Secretary of State

For use by Secretary of State only

1. AGENCY CONTACT PERSON FOR THIS FILING
(See instructions)

TITLE

TELEPHONE

Rosalie Clark, Chief

Regulations Development Bureau

445-0313

2. Type of filing, (check one) 30-day Review Emergency Certificate of Compliance
(Complete Part 4 below)

Regulatory changes resulting from Govt. Code 11349.7 review (Complete Part 6 below)

Nonsubstantive changes with nonregulatory effect Printing Error Correction

3. a. Specify California Administrative Code title and sections as follows:

SECTIONS ADOPTED: 25-301 (Title); 25-301.2, .3, .4 thru .441, .5, and .6; 25-302.1 and .2;
Title MPP 25-303.2; 25-304 (Title), .1, and .2; 25-305 (Title), .1, and .2; 25-306 (Title), .2,
SECTIONS AMENDED:
25-300 (Title); 25-301.11, and .451; 25-303.1. .3, .4, .6, .7, .8, and .9.
SECTIONS REPEALED:
None.

b. The following sections listed in 3a contain modifications to the text originally made available to the public: 25-301.243 and 25-301.244

APPROVED

4. CERTIFICATE OF COMPLIANCE (Government Code Section 11346.1(e): The above-named agency officer certifies that this agency complied with the provisions of Government Code Sections 11346.4-11346.8. (Check one)

prior to the emergency adoption
 within 120 days of the effective date of the emergency adoption of the above-referenced regulations.

5. Is this filing a resubmittal of a previously disapproved or withdrawn regulation?

No Yes, if yes, give date(s) of prior submittal(s) to OAL:

6. Is the filing submitted to carry out amendments or repeals identified in the statement of review completion submitted as a result of the agency's review of regulations administered by it as of June 30, 1980?

No Yes, if yes, give date statement was submitted to OAL

7. If these regulations required prior review and approval or concurrence by any of the following agencies, check appropriate box(es)

Fair Political Practices Commission (Include FPPC approval stamp) Building Standards Commission (Attach approval)
 State Fire Marshall (Attach approval) Department of Finance (Attach properly signed Std. 399)
 Other _____

(SPECIFY AGENCY)

8. a. PUBLICATION DATE OF NOTICE IN CALIFORNIA ADMINISTRATIVE NOTICE REGISTER
January 30, 1987

b. DATE OF FINAL AGENCY ACTION
JUN 30 1987

c. DATES OF AVAILABILITY OF MODIFIED REGULATION(S) (GOVT. CODE SEC. 11346.8(c))
May 18, 1987 - June 1, 1987

9. Effective date of regulatory changes: (See Government Code Section 11346.2 and instructions on reverse)

a. Effective 30th day after filing with the Secretary of State.

b. Effective upon filing with the Secretary of State.

c. Effective on _____ as required or allowed by the following statute(s): _____

d. Effective on _____ (Designate effective date *earlier than* 30 days after filing with the Secretary of State pursuant to Govt. Code Sect. 11346.2(d).)

Attach request demonstrating good cause for early effective date. Request subject to OAL approval.

e. Effective on Sept. 1, 1987 (Designate effective date *later than* the normal effective date for the type of order filed.)

INSTRUCTIONS FOR STD 400

Completed Face Sheet for Filing Regulations with the Office of Administrative Law must be attached to the front of each of the seven copies of the regulations. Note that at least one Face Sheet must contain an original signature of the agency officer with rulemaking authority.

Part 1. Provide the name and telephone number of the person who is authorized during the review period to answer questions regarding this regulatory filing. If different than person designated in certification box, attach order delegating authority for making decisions regarding these regulations.

Part 2. Check the appropriate box. NOTE: Nonsubstantive changes are reviewed by and are subject to OAL approval.

Part 3 a. Provide the Administrative Code Title in which the regulation will appear and list *section* number of each regulation to be amended, adopted or repealed. *When filing a Certificate of Compliance list the section number of each emergency regulation formally adopted after completion of the rulemaking procedures of the APA.* (Attach additional sheets if necessary.)

b. Please list the section number of each regulation which includes modifications to the text to the regulations originally made available to the public pursuant to Government Code Section 11346.5(b), and adopted, amended or repealed as modified pursuant to Government Code Section 11346.8(c). The sections listed here must correspond to the sections which were made available for 15 days pursuant to Government Code Section 11346.8(c).

Part 4. Check appropriate box as necessary to comply with the requirements of Government Code Section 11346.1(e).

Part 5. Specify date(s) and file number(s) of each prior submittal of these regulatory changes which was withdrawn or disapproved.

Part 6. OAL has a longer time period to review regulatory changes submitted to carry out amendments and repeals which are identified in the agency's Statement of Review Completion and which have been submitted as a result of the agency's review of regulations administered by it as of June 30, 1980. Therefore, these regulatory changes should be submitted in a separate filing from any other regulatory changes. If not submitted separately, regulations not resulting from the review and any material in the rulemaking file relating to them must be clearly identified.

Part 7. Certain regulatory activities must be reviewed and approved by other state agencies prior to submittal to OAL. Regulations subject to prior approval include:

a. Fire and panic safety regulations (Govt. Code Sec. 11342.3.).

b. Building standards as defined in Section 18909 of the Health and Safety Code (Govt. Code Sec. 11343).

c. Conflict of Interest regulations (Title 2 California Admin. Code Section 18750(i)).

Note: Where regulations have a fiscal impact on state, local or federal government or result in reimbursable costs to local government or school districts the fiscal impact statement must be reviewed, approved and signed by the Department of Finance before the regulations will be accepted for filing by OAL. See Government Code Sections 11349.1, 11346.5(a)(6), and S.A.M. sections 6050-6057.

Part 8 a. Provide the publication date of the Notice Register in which the notice of proposed action appeared.

b. Provide the date on which the regulatory agency adopted the regulatory changes.

c. If the regulations were modified subsequent to the hearing or written comment period, provide the dates during which the modified regulations were made available to the public. Note that period must be at least 15 days and must be completed prior to the date the agency adopts the modified text. All modifications must be clearly indicated.

Part 9. Effective Dates — check one of the following:

a. A regulation or order of repeal is effective 30 days after filing with the Secretary of State unless a different date is specified below.

b. An emergency order, Certificates of Compliance or nonsubstantive change is effective upon filing with the Secretary of State unless a later date is specified below.

c. If an effective date other than specified above is required or allowed by statute, provide the date and the statutory citations(s).

d. If an early effective date is being requested, please attach a letter specifying the date the regulation(s) should take effect and the reason for the early effective date. Requests are granted by OAL upon a showing of good cause.

e. If an effective date later than specified above is requested, provide the date.

FILING REQUIREMENTS

The following material must be submitted when filing regulations with OAL:

- *Seven (7) copies of the regulations.* Note: Use underline and strikeout to indicate changes in an existing section. For adoption of a new section, underline new text. The repeal of an entire section may be indicated by placing a diagonal slash through the text to be repealed.
- *A completed Face Sheet for filing regulations with the Office of Administrative Law, Form STD 400 attached to the front of each copy of the regulations, with at least one Face Sheet bearing an original signature.*
- *Complete rulemaking file, with index and sworn statement.* (See Govt. Code Sec. 11347.3 for full list of rulemaking contents.)

DELEGATED AUTHORITY ORDER

I hereby authorize and designate Rosalie P. Clark, Chief, Regulations Development Bureau as the agency contact person who has authority to make decisions and answer questions regarding this regulation order.



LINDA S. McMAHON
Director

Amend Title to Chapter 25-300; adopt new Section heading 25-301; amend Section 25-301.11; number Sections 25-301.1, .11, and .12; adopt Sections 25-301.2, .3, .4 through .441, .5, and .6; and renumber Section 25-310.3 to Sections 25-301.45 and .451 to read:

25-300 ACTION AUTHORIZING PAYMENT 25-300
 AID AUTHORIZATION ACTION AND FISCAL
 CONTROL OF AID PAYMENTS

25-301 AID AUTHORIZATION ACTION 25-301

- 1 All payments of aid or other actions affecting the aid status of a recipient or applicant for aid shall be authorized by completing and placing in line for processing authorization documents specified or approved by the Department, in accordance with instructions for their use.
- 11 A specific^{ed} certification on each authorizing document shall bear the signature of the county welfare director, or his facsimile signature affixed and initialed by a person delegated in writing by the director, or the signature of a person occupying a functional position which the director has specifically designated in writing or his/her delegated agent. (See Fiscal Management and Control Handbook Section 25-310(b).)
- 12 The authorization shall occur prior to execution of the action, shall be explicit and not indicative of action by implication.
- 2 The director may delegate in writing his/her authority to deny, grant, change, or discontinue aid payments only as follows:
 - 21 To specific named persons or occupants of designated functional positions, the authority to sign the delegate's name as an authorized representative of the director;
 - 22 To specific named persons or occupants of designated functional positions, the authority to sign the welfare director's name and to show the delegate's initials immediately following the signature;
 - 23 To specific named persons or occupants of designated functional positions, the authority to affix the director's facsimile stamped signature and to show the

delegate's initial immediately following the stamped signature.

- 231 When facsimile stamps are not in use, safes, locked files, or other such devices shall be used to render them unavailable to unauthorized persons.
- 24 For those computerized counties which use an electronic signature to authorize aid payments and other actions affecting the aid status of a recipient or applicant for aid, the county welfare director may delegate in writing his authorization authority to specific named persons or occupants of designated functional positions.
- 241 Computer systems which utilize an electronic signature shall produce a hardcopy "turnaround" document which bears on it the certification as is printed on the State Authorization Document, Form ABCD 278L. (See Fiscal Management and Control Handbook Section 25-310(b).)
- 242 The "turnaround" document shall be returned to the person who input the data. The person shall:
 - (a) check the data to ensure that it was input correctly.
 - (b) initial or sign the certification.
- 243 Computerized counties which utilize an electronic signature system shall maintain a manual "backup" system for use only when the computer system is inoperable.
- 244 For computerized counties which utilize an electronic system, the date of input, i.e., the date on which the authorized county staff person enters the data into the computer system, shall be the date of authorization.

•3 Retention of Delegation of Authority

- 31 Delegation of authority to grant, deny, or change aid payments issued and signed by the director shall be retained in file as required in MPO Section 25-200.3.
- 4 The following actions shall be authorized only by the director or the director's authorized delegate.

•41 Authorization to Commence Aid

Authorization to commence aid shall be processed as follows:

- 411 An inout document shall be prepared and filed in case number order in the master file of continuing aid grants for the applicable aid program;
- 412 The final date shall be designated for acceptance of inout documents for inclusion in the master payroll run for the following month;
- 413 Aid warrants and payrolls shall be run when the final group of documents is processed for inclusion in the master file.

•42 Authorization to Change a Continuing Grant

- 421 An authorization to increase or decrease a continuing grant shall be processed by deleting the former payment instructions from the master file and substituting the data provided by the new authorization.

•43 Authorization for Supplemental Payment

- 431 Current month and/or prior month supplemental payments (i.e., payments which must be made after the preparation and release of the master payroll for a given month) shall be authorized by the director or the director's delegated agent.
- 432 Supplemental payments shall be authorized in the procedure utilized in the particular county, i.e., facsimile stamp, electronic signature, etc.

•44 Authorization for Discontinuance

- 441 An authorization for discontinuance shall result in removal of the entry from the master file.

310-345 Authorization After Death

- 451 ff When an aid payment is authorized after death for a recipient of AFDC, Refugee Resettlement Program-Refugee Cash Assistance, Cuban-Haitian Entrant Program-Entrant Cash Assistance, or Refugee Demonstration Project Cash Assistance Program, dies~~s~~ aid may be authorized after death

for periods prior to the first of the month following his/her death, the normal authorization procedure in that particular county welfare department is utilized.

•5 Cancellation of a Warrant

•51 A warrant to which a payee is not entitled and any voided warrant shall be cancelled by claiming the warrant on the payroll and offsetting the claim on the Cancellation Contra Roll.

•6 Action Documents

•61 Action documents shall be processed at least once, and preferably twice, each week to enable disbursement of payments with the least possible delay. A continuous flow of daily actions, within limitations of master payroll cutoff dates, shall take place.

•611 Provision shall be made to continue authorizing new cases and restorations from the master payroll cutoff dates through the last day of the month to enable commencement of aid in accordance with MPP Section 44-317.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10554, 10800, 10801, 10802, and 10803, Welfare and Institutions Code.

Adopt new Section 25-302 to read:

25-302 REISSUANCE OF WARRANTS REPORTED LOST, STOLEN, DESTROYED, OR LOST IN THE MAIL 25-302

- 1 A public assistance warrant which has been lost, stolen, destroyed, or lost in the mail shall be reissued in compliance with Government Code Sections 29850 through 29854. (See Fiscal Management and Control Handbook Section 25-330.6.)
- 2 In any public assistance cash payment program which requires semi-monthly payments to the recipient, when the CWD is notified by a recipient that the first warrant for the month has been lost, stolen, destroyed, or lost in the mail, the release of the second warrant for that month shall be advanced immediately. The CWD shall expedite reissuance of the warrant which was lost, stolen, destroyed, or lost in the mail in accordance with Section 25-302.1 and Fiscal Management and Control Handbook Section 25-330.6.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10000, 11004 and 11006.2, Welfare and Institutions Code, Section 29853.5, Government Code.

Renumber Section 25-320 to Section 25-303 and Section 25-320.5 to Section 25-303.1; and amend Section 25-303 to read:

25-32025-303 PAYMENTS AFTER DEATH

25-32025-303

- 1 If an eligible recipient in an AFDC, Refugee Resettlement Program-Refugee Cash Assistance, Cuban/Haitian Entrant Program-Entrant Cash Assistance, or Refugee Demonstration Project Cash Assistance Program case dies on, or after, the first day of the month, aid shall be paid for the full month in which the recipient died in accordance with MPP Section 44-207.3.
- 2 If an AFDC payee dies, see MPP Section 44-305.12. A warrant shall not become part of the payee's estate when a new payee is to be determined. Such instances shall include, for example, protective payments made to a substitute payee, and payments made to a legally appointed guardian or conservator.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10000, 10600 and 11455, Welfare and Institutions Code; and Title 45 Code of Federal Regulations, Part 400.

Adopt new Section 25-304 to read:

25-304 ENDORSEMENTS OF WARRANTS

25-304

- .1 Warrants shall be endorsed by the payee except as provided in MPP Section 25-304.2.
- .2 Warrants not Endorsed Prior to the Death of the Recipient or Payee
 - .21 A warrant which has not been endorsed prior to death of the recipient shall be endorsed only by the duly appointed and qualified executor or administrator of the recipient's estate, or other persons authorized by law to receive monies otherwise due the decedent.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10000, 10553, and 10600, Welfare and Institutions Code.

Adopt new Section 25-305 to read:

25-305 PROTECTIVE PAYMENTS -- ACCOUNTABILITY

25-305

•1 Responsibilities of Substitute Payees

The substitute payee shall be accountable for protective payment expenditures on the recipient's behalf. Records of expenditures need not be complex and may be maintained in account book form, or a monthly Substitute Payee Certification, as illustrated in Fiscal Management and Control Handbook Section 25-605, Part IX, may be used.

•2 Trust Funds

Counties establishing trust funds when CWD employees are selected as substitute payees shall comply with one of the following procedures:

- 21 A warrant shall be issued from the welfare disbursement fund to the substitute payee; endorsed by the substitute payee; deposited to the trust funds; and credited to the individual recipient's account;
- 22 If the substitute payee serves more than one recipient, a single warrant may be issued to cover the grants for all such recipients. In addition to meeting the requirements specified in Section 25-305.21, the warrant shall be accompanied by a list of case numbers, names, grant month, and amounts for each recipient, wherein the amount column total must agree with the warrant amount;
- 23 A direct payment or transfer to the trust fund from the welfare disbursement fund may be made; the substitute payee shall be provided with the listing specified in Section 25-305.22; and individual recipient's accounts shall be maintained.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10553, 10600, 11454, and 11477, Welfare and Institutions Code; and Title 45 Code of Federal Regulations, Section 234.60.

Adopt new Section 25-306 to read:

25-306 VENDOR PAYMENTS -- ACCOUNTABILITY AND REQUIREMENTS 25-306

Counties making vendor payments shall establish authorization, payment, and claiming procedures as specified below.

•1 Monthly Authorization

The following information shall be included on the authorizing document:

- 11 Effective date of payment;
- 12 Portion to be paid vendor(s);
- 13 Portion to be paid without restriction to the payee.

•2 Methods of Payment

Acceptable methods of vendor payment include use of county warrants or issuance of county requisitions to vendors.

•3 Unexpended Balances of Aid

Any unexpended balance of authorized aid not encumbered by outstanding vendor orders, or not fully utilized upon completion of such orders, shall be paid to the recipient by county warrant. If the recipient cannot be located, the unexpended balance shall be abated to federal, state, and county funds as applicable depending on the source of the aid funds at the time the funds were authorized.

- 31 Such remaining funds shall be abated when the case is discontinued or when the warrant is claimed as a cancellation.

•4 Vendor Payment Records

Vendor payment records shall include audit information such as the following:

- 41 Amounts authorized and paid for identified budget items;
- 42 Encumbrances;
- 43 Vendor orders issued, paid, and outstanding;

.44 Evidence enabling determination of any unexpended balance of aid.

.5 Vendor Payment Accounting Systems -- General

Counties shall utilize a payment accounting system which ensures balancing of vendor payments with total amounts authorized and claimed, and ready audit verification by state representatives. Use of any of the following accounting systems, as specified in MPP Section 25-306.1 through MPP Section 25-306.94, et seq., shall be considered acceptable:

- .51 Welfare disbursement fund;
- .52 Trust funds;
- .53 Trust accounts within welfare disbursement funds;
- .54 General Assistance procedures;
- .55 Procedures utilizing SDSS Forms ABCD 278L, List of Authorizations to Start, Change or Stop Aid Payments and ABCD 278M, Authorizations to Start, Change or Stop Aid Payments.

.6 Welfare Disbursement Fund

Counties making vendor payments directly from the welfare disbursement fund shall meet the following criteria.

- .61 The entire grant shall be authorized on the Form ABCD 278L;
- .62 The unrestricted portion of the grant payment shall be paid by warrant to the recipient;
- .63 Vendor bills shall be approved for payment, but a new grant authorization on the Form ABCD 278L shall not be taken because this would result in a duplicate action;
- .64 Approved vendor bills shall be paid by warrant;
- .65 Any unexpended balance following deductions for outstanding vendor orders shall be paid by warrant to the recipient.

.7 Trust Funds and Trust Accounts

- .71 Counties making vendor payments through use of trust funds shall meet the following criteria:

- .711 The entire grant shall be authorized on the Form ABCD 278L;
- .712 The unrestricted portion of the grant payment to the recipient shall be paid by warrant from the welfare disbursement fund;
- .713 Total amount of budget items to be supplied through vendor orders shall be transferred from the welfare disbursement fund to the trust fund and credited to the individual recipient's account, which shall be maintained therein;
- .714 Approved vendor bills shall be paid by warrants drawn on the trust fund and debited to the recipient's account;
- .715 Any unexpended balance in the account following deductions for outstanding vendor orders shall be paid by warrant to the recipient.

.72 Counties making vendor payments through use of a trust account within the welfare disbursement fund shall meet the following criteria:

- .721 The entire grant shall be authorized on the Form ABCD 278L;
- .722 The total amount shall be credited to a trust account within the welfare disbursement fund for the individual recipient;
- .723 The unrestricted portion of the grant payment to the recipient shall be recorded and disbursed by warrant through the trust account;
- .724 Approved vendor bills shall be recorded and disbursed by warrant through the trust account;
- .725 Any unexpended balance in the account following deductions for outstanding vendor orders shall be paid by warrant to the recipient.

.9 General Assistance Procedures

- .81 Counties making vendor payments through General Assistance procedures shall meet the following criteria:
- .811 The entire grant shall be authorized on the Form ABCD 278L;

- 812 The unrestricted portion of the grant payment to the recipient shall be paid by warrant from the welfare disbursement fund;
- 813 Vendor orders shall be issued and paid through established General Assistance procedures;
- 814 Any unexpended balance in the account following deductions for outstanding vendor orders shall be paid by warrant to the recipient.

•9 Procedures Utilizing SDSS Forms ABCD 278L, List of Authorizations to Start, Change or Stop Aid Payments and ABCD 278M, Authorizations to Start, Change or Stop Aid Payments

Counties making vendor payments by utilizing the Forms ABCD 278L and ABCD 278M for recording and control shall meet the following criteria:

- 91 The entire grant shall be authorized; however, the breakdown of the amounts by unrestricted cash payment and vendor payment(s) shall be shown on the authorizing document;
- 92 The unrestricted portion of the grant payment to the recipient shall be paid and claimed;
- 93 Amounts for vendor items shall not be processed until a vendor bill is received and approved, at which time a Form ABCD 278M shall be initiated and the amount shall be paid by warrant and claimed;
- 94 When all vendor bills for the month are received, a determination shall be made of the unexpended amount, if any, and paid by warrant to the recipient.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10553, 10600, and 11454, Welfare and Institutions Code; and 45 Code of Federal Regulations, Section 234.60.

Office of Administrative Law Certification of Approval

I, Linda Hurdle Stockdale Brewer, hereby certify that the regulations submitted in the rulemaking file identified below were reviewed and approved by me this date, in my capacity as the Director of the Office of Administrative Law.

Submitting Agency: State Department of Social Services

OAL File No.: 87-0701-02



Linda Hurdle Stockdale Brewer
Director

Date

Linda Hurdle Brewer 7-30-87

SUBMITTED FOR REVIEW

JUL 21 1987

OFFICE OF ADMINISTRATIVE LAW

ENDORSED
APPROVED FOR FILING

JUL 31 1987

Office of Administrative Law

For use of Office of Adm Law

FACE SHEET

FOR FILING ADMINISTRATIVE REGULATIONS WITH THE OFFICE OF ADMINISTRATIVE LAW

CERTIFICATION: I hereby certify that the attached are true and correct copies of regulations adopted, amended or repealed by this agency and that the information specified on this Face Sheet is true and correct.

RDB #0687-32

FILED

In the office of the Secretary of State
of the State of California

JUL 9 1987

At 4:15 o'clock P.M.
MARCH FONG EU, Secretary of State

By Julie Clark
Deputy Secretary of State

For use by Secretary of State only

State Department of Social Services	
(AGENCY)	
<u>Julie S. Clark</u>	
AGENCY OFFICER WITH RULEMAKING AUTHORITY	
Date: <u>7/17/87</u>	

1. AGENCY CONTACT PERSON FOR THIS FILING
(See Instructions)

TITLE

TELEPHONE

Rosalie Clark, Chief, Regulations Development Bureau

(916) 445-0313

2. Type of filing, (check one) 30-day Review Emergency

Certificate of Compliance
(Complete Part 4 below)

Regulatory changes resulting from Govt. Code 11349.7 review (Complete Part 6 below)

Nonsubstantive changes with nonregulatory effect Printing Error Correction

3. a. Specify California Administrative Code title and sections as follows:

SECTIONS ADOPTED:

Title MPP

63-069

SECTIONS AMENDED: 63-102e., h., m., and r.; 63-103.21; 63-402.4 and .64; 63-503.6; and 63-604.5 and .8

SECTIONS REPEALED:

b. The following sections listed in 3a contain modifications to the text originally made available to the public:

4. CERTIFICATE OF COMPLIANCE (Government Code Section 11346.1(e): The above-named agency officer certifies that this agency complied with the provisions of Government Code Sections 11346.4-11346.8. (Check one)

prior to the emergency adoption
 within 120 days of the effective date of the emergency adoption of the above-referenced regulations.

5. Is this filing a resubmittal of a previously disapproved or withdrawn regulation?

No Yes, if yes, give date(s) of prior submittal(s) to OAL

6. Is the filing submitted to carry out amendments or repeals identified in the statement of review completion submitted as a result of the agency's review of regulations administered by it as of June 30, 1980?

No Yes, if yes, give date statement was submitted to OAL

7. If these regulations required prior review and approval or concurrence by any of the following agencies, check appropriate box(es)

Fair Political Practices Commission
(Include FPPC approval stamp)

Building Standards Commission
(Attach approval)

State Fire Marshall (Attach approval)

Department of Finance (Attach properly signed Std. 399)

Other _____

(SPECIFY AGENCY)

8. a. PUBLICATION DATE OF NOTICE IN CALIFORNIA
ADMINISTRATIVE NOTICE REGISTER

Not Applicable

b. DATE OF FINAL AGENCY ACTION

JUL 20 1987

c. DATES OF AVAILABILITY OF MODIFIED REGULATION(S) (GOVT. CODE SEC. 11346.8(c))

Not Applicable

9. Effective date of regulatory changes: (See Government Code Section 11346.2 and instructions on reverse)

a. Effective 30th day after filing with the Secretary of State.

b. Effective upon filing with the Secretary of State. (08-01-87)

c. Effective on _____ as required or allowed by the following statute(s): _____

d. Effective on _____ (Designate effective date *earlier than* 30 days after filing with the Secretary of State pursuant to Govt. Code Sect. 11346.2(d).)

Attach request demonstrating good cause for early effective date. Request subject to OAL approval.

e. Effective on _____ (Designate effective date *later than* the normal effective date for the type of order filed.)

INSTRUCTIONS FOR STD 400

Completed Face Sheet for Filing Regulations with the Office of Administrative Law must be attached to the front of each of the seven copies of the regulations. Note that at least one Face Sheet must contain an original signature of the agency officer with rulemaking authority.

Part 1. Provide the name and telephone number of the person who is authorized during the review period to answer questions regarding this regulatory filing. If different than person designated in certification box, attach order delegating authority for making decisions regarding these regulations.

Part 2. Check the appropriate box. NOTE: Nonsubstantive changes are reviewed by and are subject to OAL approval.

Part 3 a. Provide the Administrative Code Title in which the regulation will appear and list *section* number of each regulation to be amended, adopted or repealed. *When filing a Certificate of Compliance list the section number of each emergency regulation formally adopted after completion of the rulemaking procedures of the APA.* (Attach additional sheets if necessary.)

b. Please list the section number of each regulation which includes modifications to the text to the regulations originally made available to the public pursuant to Government Code Section 11346.5(b), and adopted, amended or repealed as modified pursuant to Government Code Section 11346.8(c). The sections listed here must correspond to the sections which were made available for 15 days pursuant to Government Code Section 11346.8(c).

Part 4. Check appropriate box as necessary to comply with the requirements of Government Code Section 11346.1(e).

Part 5. Specify date(s) and file number(s) of each prior submittal of these regulatory changes which was withdrawn or disapproved.

Part 6. OAL has a longer time period to review regulatory changes submitted to carry out amendments and repeals which are identified in the agency's Statement of Review Completion and which have been submitted as a result of the agency's review of regulations administered by it as of June 30, 1980. Therefore, these regulatory changes should be submitted in a separate filing from any other regulatory changes. If not submitted separately, regulations not resulting from the review and any material in the rulemaking file relating to them must be clearly identified.

Part 7. Certain regulatory activities must be reviewed and approved by other state agencies prior to submittal to OAL. Regulations subject to prior approval include:

- Fire and panic safety regulations (Govt. Code Sec. 11342.3.).
- Building standards as defined in Section 18909 of the Health and Safety Code (Govt. Code Sec. 11343).
- Conflict of Interest regulations (Title 2 California Admin. Code Section 18750(i)).

Note: Where regulations have a fiscal impact on state, local or federal government or result in reimbursable costs to local government or school districts the fiscal impact statement must be reviewed, approved and signed by the Department of Finance before the regulations will be accepted for filing by OAL. See Government Code Sections 11349.1, 11346.5(a)(6), and S.A.M. sections 6050-6057.

Part 8 a. Provide the publication date of the Notice Register in which the notice of proposed action appeared.

b. Provide the date on which the regulatory agency adopted the regulatory changes.

c. If the regulations were modified subsequent to the hearing or written comment period, provide the dates during which the modified regulations were made available to the public. Note that period must be at least 15 days and must be completed prior to the date the agency adopts the modified text. All modifications must be clearly indicated.

Part 9. Effective Dates — check one of the following:

- A regulation or order of repeal is effective 30 days after filing with the Secretary of State unless a different date is specified below.
- An emergency order, Certificates of Compliance or nonsubstantive change is effective upon filing with the Secretary of State unless a later date is specified below.
- If an effective date other than specified above is required or allowed by statute, provide the date and the statutory citations(s).
- If an early effective date is being requested, please attach a letter specifying the date the regulation(s) should take effect and the reason for the early effective date. Requests are granted by OAL upon a showing of good cause.
- If an effective date later than specified above is requested, provide the date.

FILING REQUIREMENTS

The following material must be submitted when filing regulations with OAL:

- Seven (7) copies of the regulations. Note: Use underline and strikeout to indicate changes in an existing section. For adoption of a new section, underline new text. The repeal of an entire section may be indicated by placing a diagonal slash through the text to be repealed.
- A completed Face Sheet for filing regulations with the Office of Administrative Law, Form STD 400 attached to the front of each copy of the regulations, with at least one Face Sheet bearing an original signature.
- Complete rulemaking file, with index and sworn statement. (See Govt. Code Sec. 11347.3 for full list of rulemaking contents.)

DELEGATED AUTHORITY ORDER

I hereby authorize and designate Rosalie P. Clark, Chief, Regulations Development Bureau as the agency contact person who has authority to make decisions and answer questions regarding this regulation order.



LINDA S. McMAHON
Director

Adopt Section 63-069 to read:

63-069 IMPLEMENTATION OF PURCHASE OF PREPARED MEALS BY 63-069
HOMELESS FOOD STAMP RECIPIENTS

- 1 Effective August 1, 1987, CWDs shall implement the amended or adopted provisions listed below relating to the purchase of prepared meals by homeless food stamp recipients.
- 2 Sections affected by these revisions are 63-102e.(2)(G), h.(1), m.(2), r.(4)(3); 63-103.21j; 63-402.46; 63-402.645; 63-503.6; 63-604.5 and .8.

Authority-Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Sections 18902 and 18904, Welfare and Institutions Code.

Renumber Sections 63-102h.(1) and (2) to Sections 63-102 h.(2) and (3), respectively. Renumber Sections 63-102m.(2) through (5) to 63-102m.(3) through (6), respectively. Amend Sections 63-102e.(2), 63-102h., 63-102m., and 63-102r.(4)(B) to read:

63-102 DEFINITIONS (Continued)

63-102

e. (1) (Continued)

(2) "Eligible food" means: (Continued)

(G) Meals prepared for and served to homeless food stamp households by a public or private nonprofit establishment (e.g., soup kitchen or shelter), which has been authorized by the Food and Nutrition Service (FNS) to accept food stamp coupons. This provision only applies to homeless food stamp households.

63-102 DEFINITIONS (Continued)

63-102

h. (1) "Homeless food stamp household" means an eligible food stamp household which has no fixed mailing address or does not reside in a permanent dwelling.

(2) (Continued)

(23) (Continued)

63-102 DEFINITIONS (Continued)

63-102

m. (1) (Continued)

(2) "Meal provider for the homeless" means a public or private nonprofit establishment that feeds homeless persons, (e.g., soup kitchen or shelter), which has been authorized by the Food and Nutrition Service (FNS) to accept food stamp coupons.

(23) (Continued)

(34) (Continued)

(45) (Continued)

(55) (Continued)

r. (Continued)

(4) "Retail food store" means: (Continued)

(8) Public or private communal dining facilities and meal delivery services, drug addict or alcoholic treatment and rehabilitation programs, public or private nonprofit shelters for battered women and children, or public or private nonprofit group living arrangements which accept food stamps in exchange for meals, and public or private nonprofit establishments that feed homeless persons, (e.g., soup kitchens or shelters), which have been authorized by the Food and Nutrition Service (FNS) to accept food stamp coupons.

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Section 18901, Welfare and Institutions Code and 7 CFR 271.2.

Amend Section 63-103.21 to read:

63-103 ADMINISTRATIVE AUTHORITIES (Continued)

63-103

•2 State Agency Delegations to County Agencies

•21 Under California law SDSS hereby delegates administration of the Food Stamp Program to the CWD, subject to SDSS regulatory and rulemaking authority. CWD administrative responsibilities include, but are not limited to: (Continued)

1. Approval of meal providers for the homeless, as defined in Section 63-102(m), based on a determination by the CWD that the establishment or shelter serves meals to homeless persons.

(1) The approval or denial shall be provided in writing to these establishments within 30 calendar days from receipt of request.

(2) Self-certifications signed by the meal providers for the homeless may be considered acceptable documentation to meet this approval requirement.

(3) The approval may be granted indefinitely; however, if there is evidence that the meal provider is no longer serving meals to the homeless, the approval shall be withdrawn.

(4) The CWD may designate another appropriate local governmental agency to provide this service; however, the CWD shall remain responsible for insuring that this provision is effectively carried out.

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Section 18902, Welfare and Institutions Code; 7 CFR 272.9; and 7 CFR 278.1(q).

Amend Sections 63-402.4 and .64 to read:

63-402 HOUSEHOLD CONCEPT (Continued)

63-402

.4 Residents of Institutions

- Individuals shall be considered residents of an institution when the institution provides them with the majority of their meals as part of the institution's normal services and the institution has not been authorized to accept coupons. Residents of institutions are not eligible for participation in the Food Stamp program. The following individuals shall not be considered as residents of institutions: (Continued)

.46 Residents of public or private nonprofit shelters for homeless persons.

63-402 HOUSEHOLD CONCEPT (Continued)

63-402

.6 Authorized Representatives

.64 Restrictions. The following restrictions apply to authorized representatives: (Continued)

.645 Meal providers for the homeless, as defined in Section 63-102m., shall not be allowed to act as authorized representatives for homeless food stamp recipients.

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Section 18901, Welfare and Institutions Code and 7 CFR 273.1(e)(5) and (f)(4)(iv).

Amend Section 63-503 to read:

63-503 DETERMINING HOUSEHOLD ELIGIBILITY AND BENEFIT LEVELS 63-503
(Continued)

.6 Homeless Food Stamp Households

Homeless food stamp households shall be permitted to use their food stamp benefits to purchase prepared meals from meal providers for the homeless which have been authorized by the Food and Nutrition Service (FNS) to accept food stamp coupons.

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Section 18901, Welfare and Institutions Code and 7 CFR 273.11(h).

Renumber Sections 63-604.5 through .7 to Sections 63-604.6 through .8, respectively and amend Section 63-604 to read:

63-604 USE OR REDEMPTION OF COUPONS BY ELIGIBLE HOUSEHOLDS 63-604
• (Continued)

•5 Homeless Food Stamp Households

Homeless food stamp households shall be allowed to use their food stamp benefits to purchase prepared meals from meal providers for the homeless.

•56 (Continued)

•57 (Continued)

•7° Cash Change

When change in an amount less than \$1 is required in a coupon transaction, the household shall receive the change in cash not to exceed 99 cents.

However, in the case of homeless food stamp households, neither cash change nor credit slips shall be returned for coupons used for the purchase of prepared meals from authorized meal providers for the homeless. Such meal providers may use uncancelled and unmarked \$1 coupons which were previously accepted for meals served to food stamp recipients when change is required for \$5 and \$10 coupons.

•59 (Continued)

Authority Cited: Sections 10554 and 18904, Welfare and Institutions Code.

Reference: Section 18901, Welfare and Institutions Code and 7 CFR 274.10(e) and (i).

FILED

State

At 9:13 a.m.

MARCH FONG EU

RECEIVED

By *Julie*

Deputy Clerk

Office of Administrative Law Certification of Approval

I, Linda Hurdle Stockdale Brewer, hereby certify that the regulations submitted in the rulemaking file identified below were reviewed and approved by me this date, in my capacity as the Director of the Office of Administrative Law.

Submitting Agency: Department of Social Services

OAL File No.: 87-0721-01E



Linda Hurdle Stockdale Brewer
Director

Date

SUBMITTED FOR REVIEW

OFFICE OF ADMINISTRATIVE LAW

ENDORSED
APPROVED FOR FILING
JUL 31 1987

Office of Administrative Law
For use of Office of Adm Law

FACE SHEET

FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE OFFICE OF ADMINISTRATIVE LAW

CERTIFICATION: I hereby certify that the attached are true and correct copies of regulations adopted, amended or repealed by this agency and that the information specified on this Face Sheet is true and correct.

DEPARTMENT OF SOCIAL SERVICES

(AGENCY)

Jil S. McNeely
AGENCY OFFICER WITH RULEMAKING AUTHORITY

Date: 6/30/87

FILED

In the office of the Secretary of State
of the State of California

JUL 31 1987
At 4:13 o'clock P.M.
MARCH FONG EU, Secretary of State
By *Julie Clark*
Deputy Secretary of State

For use by Secretary of State only

1. AGENCY CONTACT PERSON FOR THIS FILING
(See instructions)

TITLE

TELEPHONE

Rosalie Clark, Chief Regulations Development Bureau

445-0313

2. Type of filing, (check one) 30-day Review Emergency Certificate of Compliance
(Complete Part 4 below)

Regulatory changes resulting from Govt. Code 11349.7 review (Complete Part 6 below)
 Nonsubstantive changes with nonregulatory effect Printing Error Correction

3. a. Specify California Administrative Code title and sections as follows:

SECTIONS ADOPTED:

Title MPP

63-067

SECTIONS AMENDED:

63-301.53

SECTIONS REPEALED:

63-30

APPROVED

b. The following sections listed in 3a contain modifications to the text originally made available to the public: N/A

4. CERTIFICATE OF COMPLIANCE (Government Code Section 11346.1(e): The above-named agency officer certifies that this agency complied with the provisions of Government Code Sections 11346.4-11346.8. (Check one)

prior to the emergency adoption
 within 120 days of the effective date of the emergency adoption of the above-referenced regulations.

5. Is this filing a resubmittal of a previously disapproved or withdrawn regulation?

No Yes, if yes, give date(s) of prior submittal(s) to OAL:

6. Is the filing submitted to carry out amendments or repeals identified in the statement of review completion submitted as a result of the agency's review of regulations administered by it as of June 30, 1980?

No Yes, if yes, give date statement was submitted to OAL:

7. If these regulations required prior review and approval or concurrence by any of the following agencies, check appropriate box(es)

Fair Political Practices Commission
(Include FPPC approval stamp) Building Standards Commission
(Attach approval)

State Fire Marshall (Attach approval) Department of Finance (Attach properly signed Std. 399)

Other _____
(SPECIFY AGENCY)

8. a. PUBLICATION DATE OF NOTICE IN CALIFORNIA
ADMINISTRATIVE NOTICE REGISTER

b. DATE OF FINAL AGENCY ACTION

c. DATES OF AVAILABILITY OF MODIFIED REGULATION(S) (GOVT.
CODE SEC. 11346.8(c))

April 3, 1987

June 30, 1987

N/A

9. Effective date of regulatory changes: (See Government Code Section 11346.2 and instructions on reverse)

a. Effective 30th day after filing with the Secretary of State.

b. Effective upon filing with the Secretary of State.

c. Effective on _____ as required or allowed by the following statute(s): _____

d. Effective on _____ (Designate effective date *earlier than* 30 days after filing with the Secretary of State pursuant to Govt. Code Sect. 11346.2(d).)
Attach request demonstrating good cause for early effective date. Request subject to OAL approval.

e. Effective on _____ (Designate effective date *later than* the normal effective date for the type of order filed.)

INSTRUCTIONS FOR STD 400

Completed Face Sheet for Filing Regulations with the Office of Administrative Law must be attached to the front of each of the seven copies of the regulations. Note that at least one Face Sheet must contain an original signature of the agency officer with rulemaking authority.

Part 1. Provide the name and telephone number of the person who is authorized during the review period to answer questions regarding this regulatory filing. If different than person designated in certification box, attach order delegating authority for making decisions regarding these regulations.

Part 2. Check the appropriate box. NOTE: Nonsubstantive changes are reviewed by and are subject to OAL approval.

Part 3 a. Provide the Administrative Code Title in which the regulation will appear and list section number of each regulation to be amended, adopted or repealed. *When filing a Certificate of Compliance list the section number of each emergency regulation formally adopted after completion of the rulemaking procedures of the APA.* (Attach additional sheets if necessary.)

b. Please list the section number of each regulation which includes modifications to the text to the regulations originally made available to the public pursuant to Government Code Section 11346.5(b), and adopted, amended or repealed as modified pursuant to Government Code Section 11346.8(c). The sections listed here must correspond to the sections which were made available for 15 days pursuant to Government Code Section 11346.8(c).

Part 4. Check appropriate box as necessary to comply with the requirements of Government Code Section 11346.1(e).

Part 5. Specify date(s) and file number(s) of each prior submittal of these regulatory changes which was withdrawn or disapproved.

Part 6. OAL has a longer time period to review regulatory changes submitted to carry out amendments and repeals which are identified in the agency's Statement of Review Completion and which have been submitted as a result of the agency's review of regulations administered by it as of June 30, 1980. Therefore, these regulatory changes should be submitted in a separate filing from any other regulatory changes. If not submitted separately, regulations not resulting from the review and any material in the rulemaking file relating to them must be clearly identified.

Part 7. Certain regulatory activities must be reviewed and approved by other state agencies prior to submittal to OAL. Regulations subject to prior approval include:

a. Fire and panic safety regulations (Govt. Code Sec. 11342.3.).

b. Building standards as defined in Section 18909 of the Health and Safety Code (Govt. Code Sec. 11343).

c. Conflict of Interest regulations (Title 2 California Admin. Code Section 18750(i)).

Note: Where regulations have a fiscal impact on state, local or federal government or result in reimbursable costs to local government or school districts the fiscal impact statement must be reviewed, approved and signed by the Department of Finance before the regulations will be accepted for filing by OAL. See Government Code Sections 11349.1, 11346.5(a)(6), and S.A.M. sections 6050-6057.

Part 8 a. Provide the publication date of the Notice Register in which the notice of proposed action appeared.

b. Provide the date on which the regulatory agency adopted the regulatory changes.

c. If the regulations were modified subsequent to the hearing or written comment period, provide the dates during which the modified regulations were made available to the public. Note that period must be at least 15 days and must be completed prior to the date the agency adopts the modified text. All modifications must be clearly indicated.

Part 9. Effective Dates — check one of the following:

a. A regulation or order of repeal is effective 30 days after filing with the Secretary of State unless a different date is specified below.

b. An emergency order, Certificates of Compliance or nonsubstantive change is effective upon filing with the Secretary of State unless a later date is specified below.

c. If an effective date other than specified above is required or allowed by statute, provide the date and the statutory citations(s).

d. If an early effective date is being requested, please attach a letter specifying the date the regulation(s) should take effect and the reason for the early effective date. Requests are granted by OAL upon a showing of good cause.

e. If an effective date later than specified above is requested, provide the date.

FILING REQUIREMENTS

The following material must be submitted when filing regulations with OAL:

- *Seven (7) copies of the regulations.* Note: Use underline and strikeout to indicate changes in an existing section. For adoption of a new section, underline new text. The repeal of an entire section may be indicated by placing a diagonal slash through the text to be repealed.
- *A completed Face Sheet for filing regulations with the Office of Administrative Law, Form STD 400 attached to the front of each copy of the regulations, with at least one Face Sheet bearing an original signature.*
- *Complete rulemaking file, with index and sworn statement.* (See Govt. Code Sec. 11347.3 for full list of rulemaking contents.)

CERTIFICATE OF COMPLIANCE - Section 11346.1(e), Government Code

The Department of Social Services hereby certifies that it has complied with the provisions of Sections 11346.4 through 11346.8 inclusive of the Government Code, within 120 days of the effective date of the following emergency regulations which were filed with the Secretary of State on March 25, 1987 and which became effective on April 1, 1987.

Sections 63-067 and 63-301.53

No Amendments or repealers resulted from the public hearing held on May 20, 1987.

Linda S. McMahon
LINDA S. MCMAHON

Director

6/30/87
Date

DELEGATED AUTHORITY ORDER

I hereby authorize and designate Rosalie P. Clark, Chief, Regulations Development Bureau as the agency contact person who has authority to make decisions and answer questions regarding this regulation order.



LINDA S. McMAHON
Director

Adopt Section 63-067 to read:

63-067 IMPLEMENTATION OF FOOD STAMP EXPEDITED SERVICE #1 63-067

On April 1, 1987 the following provisions are effective:

- .1 The amendments to Section 63-301.531 that were effective December 1, 1986 are repealed and replaced by these amendments to 63-301.531.
- .2 Sections 63-301.532 is repealed, Section 63-301.533 is renumbered to 63-301.532, and Section 63-301.534 is amended and renumbered to 63-301.533.

Authority Cited: Section 10553 and 18904, Welfare and Institutions Code.

Reference: Section 18901 and 18902, Welfare and Institutions Code.

Amend MPP Section 63-301.53 to read:

63-301 APPLICATION PROCESSING TIME STANDARDS (Continued) 63-301

.5 Expedited Service (Continued)

.53 Processing Standards (Continued)

.531 Expedited Service Households

For households entitled to expedited service, except as specified in Sections 63-301.532 and 63-301.533, the CWD shall make the ATP or mail coupons of the household's ATP by the close of business on the fourth calendar day following the day the application was filed or have available to the recipient either by mail or for pickup at the household's request, ATPs or coupons no later than the close of business on the fifth calendar day following the date the application was filed. For intervening weekends or holidays, the CWD shall use the following procedures: Whatever system a CWD uses to ensure meeting this delivery standard, shall be designed to allow a reasonable opportunity for redemption of ATPs no later than the fifth calendar day following the day the application was filed.

- 1st If the fifth calendar day is a Saturday, have the ATP or coupons available for pickup or mail the ATP or coupons on the previous Friday.
- 2nd If the fifth calendar day is a Sunday, have the ATP or coupons available for pickup on the following Monday or mail the ATP or coupons in the earliest outgoing mail on Monday morning.
- 3rd If the fifth calendar day is a holiday which falls on a Monday, have the ATP or coupons available for pickup on the following Tuesday or mail the ATP or coupons in the earliest outgoing mail on Tuesday morning.
- 4th If the fourth or fifth calendar day is a holiday which falls on a Friday, have the ATP or coupons available for pickup or mail

the AIP or coupons on the previous Thursday.

***532 Drug Addicts and Detainees and Residents of Group Living Arrangements**

For residents of drug addiction or detoxification treatment and rehabilitation centers and residents of group living arrangements as defined in Section 63-492*4 who are entitled to expedited service, the CWD shall mail AIP or coupons or have the AIP or coupons available to be picked up no later than seven working days following the date the application was filed.

***533 Out-of-Office Interviews (Continued)**

***534 Late Determinations**

If the prescreening required in Section 63-301.52 fails to identify a household as being entitled to expedited service and the CWD subsequently discovers that the household is entitled to expedited service, the CWD shall provide expedited service to the households within the processing standards described in 63-301.531 and *532* except that the processing standards shall be calculated from the date the CWD discovers the household is entitled to expedited service and not the date the application was filed.

Authority Cited: Sections 10553 and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 18901, and 18902, Welfare and Institutions Code; and 7 CFR 273.2(i)(3)(i) and 7 CFR 273.2(i)(3)(ii).

FILED

AT 12 O'CLOCK

MARCH FONG EU, Secretary

By Julie C.
Deputy Secretary

Office of Administrative Law Certification of Approval

I, Linda Hurdle Stockdale Brewer, hereby certify that the regulations submitted in the rulemaking file identified below were reviewed and approved by me this date, in my capacity as the Director of the Office of Administrative Law.

Submitting Agency: Department of Social Services

OAL File No.: 87-0701-03C



Linda Hurdle Stockdale Brewer
Director

Linda Hurdle Brewer 7-31-87

Date

SUBMITTED FOR REVIEW

OFFICE OF ADMINISTRATIVE LAW

ENDORSED
APPROVED FOR FILING
AUG 5 1987

Office of Administrative Law
For use of Office of Adm Law

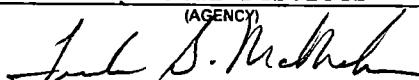
FACE SHEET

FOR FILING ADMINISTRATIVE REGULATIONS WITH THE OFFICE OF ADMINISTRATIVE LAW

CERTIFICATION: I hereby certify that the attached are true and correct copies of regulations adopted, amended or repealed by this agency and that the information specified on this Face Sheet is true and correct.

Department of Social Services

(AGENCY)



AGENCY OFFICER WITH RULEMAKING AUTHORITY

Date: 7/1/87

RDB# 0187-02

87-07-06-02

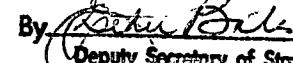
FILED

In the office of the Secretary of State
of the State of California

AUG 6 1987

At 4:45 o'clock P.M.

MARCH FONG EU, Secretary of State

By 
Deputy Secretary of State

For use by Secretary of State only

1. AGENCY CONTACT PERSON FOR THIS FILING (See instructions)	TITLE	TELEPHONE
Rosalie Clark, Chief, Regulations Development Bureau, 445-0313		
2. Type of filing, (check one)	<input checked="" type="checkbox"/> 30-day Review <input type="checkbox"/> Emergency	<input type="checkbox"/> Certificate of Compliance (Complete Part 4 below)
<input type="checkbox"/> Regulatory changes resulting from Govt. Code 11349.7 review (Complete Part 6 below) <input type="checkbox"/> Nonsubstantive changes with nonregulatory effect <input type="checkbox"/> Printing Error Correction		
3. a. Specify California Administrative Code title and sections as follows:		
Title <u>MPP</u>		
SECTIONS ADOPTED:		
SECTIONS AMENDED: 42-221.35 ^{and} .36, and .36a., b., c., and d.; 44-350.1, 11, 12, 122, 13, 14, and 2b.		
SECTIONS REPEALED: 44-213, 44-215, 44-217, and 44-223.		
APPROVED		
4. CERTIFICATE OF COMPLIANCE (Government Code Section 11346.1(e): The above-named agency officer certifies that this agency complied with the provisions of Government Code Sections 11346.4-11346.8. (Check one)		
<input type="checkbox"/> prior to the emergency adoption <input type="checkbox"/> within 120 days of the effective date of the emergency adoption of the above-referenced regulations.		
5. Is this filing a resubmittal of a previously disapproved or withdrawn regulation? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, if yes, give date(s) of prior submittal(s) to OAL:		
6. Is the filing submitted to carry out amendments or repeals identified in the statement of review completion submitted as a result of the agency's review of regulations administered by it as of June 30, 1980? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, if yes, give date statement was submitted to OAL		
7. If these regulations required prior review and approval or concurrence by any of the following agencies, check appropriate box(es)		
<input type="checkbox"/> Fair Political Practices Commission (Include FPPC approval stamp) <input type="checkbox"/> Building Standards Commission (Attach approval)		
<input type="checkbox"/> State Fire Marshall (Attach approval) <input type="checkbox"/> Department of Finance (Attach properly signed Std. 399)		
Other _____ (SPECIFY AGENCY)		
8. a. PUBLICATION DATE OF NOTICE IN CALIFORNIA ADMINISTRATIVE NOTICE REGISTER April 3, 1987	b. DATE OF FINAL AGENCY ACTION July 1, 1987	c. DATES OF AVAILABILITY OF MODIFIED REGULATION(S) (GOVT. CODE SEC. 11346.8(c)) n/a
9. Effective date of regulatory changes: (See Government Code Section 11346.2 and instructions on reverse)		
a. <input type="checkbox"/> Effective 30th day after filing with the Secretary of State.		
b. <input type="checkbox"/> Effective upon filing with the Secretary of State.		
c. <input type="checkbox"/> Effective on _____ as required or allowed by the following statute(s): _____		
d. <input checked="" type="checkbox"/> Effective on <u>Filing</u> (Designate effective date <i>earlier than</i> 30 days after filing with the Secretary of State pursuant to Govt. Code Sect. 11346.2(d).)		
Attach request demonstrating good cause for early effective date. Request subject to OAL approval.		
e. <input type="checkbox"/> Effective on _____ (Designate effective date <i>later than</i> the normal effective date for the type of order filed.)		

INSTRUCTIONS FOR STD 400

Completed Face Sheet for Filing Regulations with the Office of Administrative Law must be attached to the front of each of the seven copies of the regulations. Note that at least one Face Sheet must contain an original signature of the agency officer with rulemaking authority.

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Part 2. Check the appropriate box. NOTE: Nonsubstantive changes are reviewed by and are subject to OAL approval.

Part 3 a. Provide the Administrative Code Title in which the regulation will appear and list *section* number of each regulation to be amended, adopted or repealed. *When filing a Certificate of Compliance list the section number of each emergency regulation formally adopted after completion of the rulemaking procedures of the APA.* (Attach additional sheets if necessary.)

b. Please list the section number of each regulation which includes modifications to the text to the regulations originally made available to the public pursuant to Government Code Section 11346.5(b), and adopted, amended or repealed as modified pursuant to Government Code Section 11346.8(c). The sections listed here must correspond to the sections which were made available for 15 days pursuant to Government Code Section 11346.8(c).

Part 4. Check appropriate box as necessary to comply with the requirements of Government Code Section 11346.1(e).

Part 5. Specify date(s) and file number(s) of each prior submittal of these regulatory changes which was withdrawn or disapproved.

Part 6. OAL has a longer time period to review regulatory changes submitted to carry out amendments and repeals which are identified in the agency's Statement of Review Completion and which have been submitted as a result of the agency's review of regulations administered by it as of June 30, 1980. Therefore, these regulatory changes should be submitted in a separate filing from any other regulatory changes. If not submitted separately, regulations not resulting from the review and any material in the rulemaking file relating to them must be clearly identified.

Part 7. Certain regulatory activities must be reviewed and approved by other state agencies prior to submittal to OAL. Regulations subject to prior approval include:

- Fire and panic safety regulations (Govt. Code Sec. 11342.3.).
- Building standards as defined in Section 18909 of the Health and Safety Code (Govt. Code Sec. 11343).
- Conflict of Interest regulations (Title 2 California Admin. Code Section 18750(i)).

Note: Where regulations have a fiscal impact on state, local or federal government or result in reimbursable costs to local government or school districts the fiscal impact statement must be reviewed, approved and signed by the Department of Finance before the regulations will be accepted for filing by OAL. See Government Code Sections 11349.1, 11346.5(a)(6), and S.A.M. sections 6050-6057.

Part 8 a. Provide the publication date of the Notice Register in which the notice of proposed action appeared.

b. Provide the date on which the regulatory agency adopted the regulatory changes.

c. If the regulations were modified subsequent to the hearing or written comment period, provide the dates during which the modified regulations were made available to the public. Note that period must be at least 15 days and must be completed prior to the date the agency adopts the modified text. All modifications must be clearly indicated.

Part 9. Effective Dates — check one of the following:

- A regulation or order of repeal is effective 30 days after filing with the Secretary of State unless a different date is specified below.
- An emergency order, Certificates of Compliance or nonsubstantive change is effective upon filing with the Secretary of State unless a later date is specified below.
- If an effective date other than specified above is required or allowed by statute, provide the date and the statutory citations(s).
- If an early effective date is being requested, please attach a letter specifying the date the regulation(s) should take effect and the reason for the early effective date. Requests are granted by OAL upon a showing of good cause.
- If an effective date later than specified above is requested, provide the date.

FILING REQUIREMENTS

The following material must be submitted when filing regulations with OAL:

- Seven (7) copies of the regulations. Note: Use underline and strikeout to indicate changes in an existing section. For adoption of a new section, underline new text. The repeal of an entire section may be indicated by placing a diagonal slash through the text to be repealed.
- A completed Face Sheet for filing regulations with the Office of Administrative Law, Form STD 400 attached to the front of each copy of the regulations, with at least one Face Sheet bearing an original signature.
- Complete rulemaking file, with index and sworn statement. (See Govt. Code Sec. 11347.3 for full list of rulemaking contents.)

DELEGATED AUTHORITY ORDER

I hereby authorize and designate Rosalie P. Clark, Chief, Regulations Development Bureau as the agency contact person who has authority to make decisions and answer questions regarding this regulation order.

Linda S. McMahon

LINDA S. McMAHON
Director

UPDATED INFORMATIVE DIGEST

These proposed regulations would revise certain Aid to Families with Dependent Children (AFDC) regulations regarding recoupment of nonwillful overpayments as required by court order in the case of Kathleen Collins v. Marion J. Woods, etc., et al. The Superior Court of the State of California for the county of Humboldt issued a permanent injunction enjoining the Department from applying the provisions of Welfare and Institutions Code Section 11004, as amended by Assembly Bill 2, Chapter 3 of Statutes of 1982, or regulations promulgated by the Department pursuant thereto, to nonwillful or administrative error AFDC overpayments which occurred prior to April 2, 1982. The court further ordered that "...overpayment regulations currently in effect shall be revised as necessary to make them consistent with this order...." These proposed regulations would also repeal various Eligibility and Assistance Standards (EAS) regulations from the Department's MPP which have been rendered obsolete as a result of changes in federal or state statutes and regulations.

Existing regulations in Section 42-221.35 would be amended to delete the outdated Life Estate Evaluation Table and to substitute in its place an updated table published by the United States Internal Revenue Service (IRS). The existing table and instructions for its use would be repealed and the IRS table would be adopted as handbook in order to facilitate future updates of the table. Existing regulations in Section 44-213 require counties to explore actual and potential medical needs of each recipient and to assist in arranging for necessary health care from appropriate sources. These proposed regulations would repeal Section 44-213. Existing regulations in Section 44-215 require counties to offer appropriate assistance to needy persons who fail to meet eligibility requirements so that the ineligible person is not dependent on the child's grant to meet his/her needs. These proposed regulations would repeal Section 44-215. Existing regulations in Section 44-217 require counties to perform certain duties related to helping families in substandard housing situations to secure standard housing. These proposed regulations would repeal Section 44-217. Existing regulations in Section 44-223 require that aid be paid to a mother who is living in a maternity home and whose need is the amount required to purchase the board and care she requires, usually based on the standard rate for the home. These proposed regulations would repeal Section 44-223. Existing regulations in Sections 44-350.11 and .12 regarding the recoupment of overpayments would be amended by these proposed regulations in compliance with the

court order mentioned above. The proposed amendment would prohibit collection of nonwillful overpayments made prior to April 2, 1982 pursuant to the court order in Collins v. Woods.

FINAL STATEMENT OF REASONS

a) Description of the Public Problem, Administrative Requirement, or Other Condition or Circumstance the Regulations Are Intended to Address

These regulation proposals will repeal various sections in the Eligibility and Assistance Standards (EAS) Manual which have been rendered obsolete as a result of changes in federal or state statutes and regulations. In addition, this proposal will set in regulations the provisions ordered by the court in the case of Collins v. Woods concerning recoupment of nonwillful payments.

b) Specific Purpose of the Regulations and Factual Basis for Determination that Regulations Are Necessary

Section 42-221.35

Specific Purpose:

This section is proposed to be amended in order to delete the existing outdated Life Estate Evaluation Table and substituting in its place an updated table published by the United States Internal Revenue Service (IRS). The existing table will be deleted from regulations, together with the instructions for its use, and adopted as EAS handbook material in order to facilitate future updates of the table by precluding the need for regulatory action each time the table is revised by the IRS. Minor editorial changes are being made to delete nonregulatory language and to number paragraph sections for consistency with Eligibility and Assistance Standard (EAS) manual format.

Factual Basis:

This proposed action is necessary because the source of the tax formula in the existing table was abolished in June 1982. However, because the former California tax used as the basis for the table the same tax formula established by the IRS, the net effect of this action is that an obsolete reference is being repealed and the IRS tax formula for evaluating life estates is being placed in the EAS Manual as handbook material.

Section 44-213

Specific Purpose:

The specific purpose of this action is to repeal an obsolete regulation requiring that counties shall explore actual and potential medical needs of each recipient and assist in arranging for necessary health care from the appropriate sources.

Factual Basis:

This regulation is proposed to be repealed because its statutory authority, 45 CFR 220.24, was repealed on October 3, 1975 at 40 FR 45819 and there is no existing statutory authority to support this regulation.

Section 44-215

Specific Purpose:

The purpose of this proposed action is to repeal an obsolete regulation requiring counties to offer appropriate assistance to needy persons who fail to meet eligibility requirements so that the persons need not depend on the child's grant to meet their needs.

Factual Basis:

This regulation is proposed to be repealed because a review of the regulation reveals that there is no apparent past or current statutory authority supporting this regulation.

Section 44-217

Specific Purpose:

The purpose of this proposed action is to repeal an obsolete regulation requiring that county welfare departments perform certain duties related to helping families in substandard housing situations secure standard housing.

Factual Basis:

This regulation is proposed to be repealed because its statutory authority, 45 CFR 220.22(b), was repealed on October 3, 1975 at 40 FR 45819 and there is no existing statutory authority to support this regulation.

Section 44-223

Specific Purpose:

The specific purpose of this proposed action is to repeal an obsolete regulation requiring that aid be paid to a mother who is living in a maternity home and whose need is the amount required to purchase the board and care she requires, usually based on the standard rate for the home.

Factual Basis:

This proposed action is necessary because this regulation lacks statutory authority and is inconsistent with Welfare and Institutions Code Section 11452. Welfare and Institutions Code Section 11452 establishes the minimum basic standards of adequate care (MBSAC). The State Department of Social Services (SDSS) is required to establish rules and regulations consistent with this section and assuring that its application is uniform statewide. The MBSAC for a one person assistance unit (an eligible pregnant woman) pursuant to Welfare and Institutions Code Section 11452 is currently \$303. SDSS does not have the statutory authority to set a different standard of need for a maternity home type of living arrangement. The maternity home charge (more than twice the MBSAC) is much greater than the amount of aid which can statutorily be provided to a one-person assistance unit under the AFDC program.

Sections 44-350.1 and 44-350.2b)

Specific Purpose:

The specific purpose of these proposed amendments is to prohibit the collection of nonwillful overpayments made prior to April 2, 1982 pursuant to the court case of Collins v. Woods. Specifically, existing Section 44-350.1 is being amended as follows: 1) The provisions of the Collins order is specified in proposed Section 44-350.11. 2) Existing Section 44-350.11 is being renumbered to Section 44-350.12 and, in accordance with Collins, is being amended to specify that only willfull overpayments which were discovered prior to April 2, 1982 and for which the maximum adjustment period had not expired prior to April 1982, may be recouped. Also, the phrase "as specified in Section 44-352" is being deleted because it is redundant. 3) Existing Section 44-350.12 is being renumbered to Section 44-350.13 and is also being amended to prohibit collection of any overpayments pursuant to Collins which are discovered on or after April 2, 1982. 4) The language in Subsection 44-350.121 is being deleted because it is time specific and is no longer applicable. 5) Existing Sections 44-350.122, .13, and .14 are being renumbered to accommodate the proposed amendments.

A minor editorial correction is being made in existing Section 44-350.2b) to change the cross-reference therein to correspond to the foregoing changes in section numbers.

Factual Basis:

These amendments are necessary in order to comply with the provisions of the court order in Collins v. Woods. In Collins v. Woods, the SDSS and the counties are permanently prohibited from collecting any nonwillful overpayments made prior to April 2, 1982. These amendments will implement the regulatory changes ordered by the court in the subject case.

c) Identification of Documents Upon Which Department Is Relying

1. 26 CFR 20.2031-7
2. 40 FR 45819, October 3, 1975.
3. Final Judgment No. 70709 filed February 13, 1985 in the case of Collins v. Woods.

d) Summary Testimony and Response

These regulations were considered at a public hearing on May 20, 1987. The Department received no comments, written or oral, on the proposed rulemaking during the public comment period. No changes were made to the proposed regulations after the May 20, 1987 public hearing.

e) Local Mandate Statement

These regulations impose a mandate on local agencies, but not on school districts. However, there are no state mandated local costs in this order which require reimbursement under the laws of California because these regulations are adopted pursuant to Court Order in the case of Collins v. Woods; and because there are no costs associated with these regulatory changes.

f) Statement of Potential Cost Impact on Private Persons or Businesses

The Department has determined that these regulations will result in no fiscal impact on private persons or businesses.

g) Small Business Impact Statement

The Department has determined that these regulations will result in no significant adverse fiscal impact on small businesses.

h) 15-Day Renotice Statement

No changes were made to the proposed regulations after the public hearing held on May 20, 1987. Therefore, no 15-day notice of public availability of modified text was required.

Amend Section 42-221.35 to read:

42-221 TRANSFER OF PROPERTY (Continued)

42-221

•3 (Continued)

•35 Relinquishment of Life Estate

There is a presumption that ineligibility results from relinquishment of a life estate in real property if:

- a. The property is being utilized by the life tenant as his home, and
- b. The life tenant does not receive adequate consideration.

Unless this presumption is overcome, ineligibility results.

•351 When the transfer of title with retention of life estate occurred two or more years prior to application for public assistance, adequate consideration for a subsequent relinquishment of the life estate is determined by applying the California State Gift Inheritance Tax Internal Revenue Service (IRS) Tax Table formula, Table A, 26 CFR Section 20.2031-7 (IRS Code) (see Handbook Section 42-221.36 below). Otherwise, adequate consideration is that which is consistent with the net sale value of the property at the time of relinquishment. If the remainderman has invested in the property, the value of the life estate would be modified by the remainderman's investment.

•352 Interpretations Adequate consideration for property is defined in terms of the total net market value of the property, this being true whether the property is disposed of in one transaction, i.e., outright sale or in two transactions, i.e., (a) transfer with retention of life estate and (b) relinquishment of the life estate to permit sale.

•353 When an applicant or recipient receives adequate consideration for relinquishment of his life estate interest, it eliminates the presumption that relinquishment was to qualify for aid. If he

does not receive adequate consideration, there is a presumption the relinquishment was to qualify for aid. However, this presumption can be refuted and when such presumption exists, the county has an obligation to go one step further and evaluate the applicant's or recipient's intent.

354 When it is determined that an applicant or recipient in two steps (1) transfer with retention of life estate and (2) subsequent relinquishment of the life estate, has divested himself of property the situation is treated in the same manner as it would have been if he had divested himself of the entire interest in the property in one transaction.

Interpretation California State Gift & Inheritance Tax Forms

a* Determine the appraised value of the property.
b* Deduct encumbrances from the appraised value.
c* Ascertain from table below the factor opposite the nearest age of life tenant at time of relinquishment.

AGE	FACTOR	AGE	FACTOR
69	.37659	70	.46577
64	.36394	70	.45594
67	.35422	80	.44643
63	.33855	84	.43746
64	.32596	82	.42849
65	.31747	83	.41971
66	.30899	84	.41044
67	.29868	85	.40175
68	.287652	86	.399372
69	.28452	87	.38455
70	.25269	88	.37685
71	.24104	89	.36764
72	.22960	90	.35942
73	.21937	91	.35137
74	.20736	92	.34367
75	.19659	93	.33624
76	.19605	94	.32942
77	.17575	95	.32333

6. Multiply the factor obtained in the above table by the figure which was obtained from item 5. For example, if the net appraised value of the unencumbered property in question is \$10000 and if the life tenant's nearest age was 74, the value of her life estate interest in this property would be \$24164 $\frac{1}{4}$ + \$1000 multiplied by the 74 age factor of .24164.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10553 and 10554, Welfare and Institutions Code.

Renumber Section 42-221.36 to Section 42-221.37 and adopt new Handbook Section 42-221.36a.. b.. c.. and d.. to read:

42-221 *TRANSFER OF PROPERTY (Continued)

42-221

•3 (Continued)

HANDBOOK

•36 Internal Revenue Service Tax Table Formula, April 1, 1986.

- a. Determine the appraised value of the property.
- b. Deduct encumbrances from the appraised value.
- c. Ascertain from table below the factor opposite the nearest age of life tenant at the time of relinquishment.

AGE	FACTOR	AGE	FACTOR
60	.74491	78	.47049
61	.73267	79	.45357
62	.72002	80	.43659
63	.70696	81	.41967
64	.69352	82	.40295
65	.67970	83	.38642
66	.66551	84	.36998
67	.65098	85	.35359
68	.63610	86	.33764
69	.62086	87	.32262
70	.60522	88	.30959
71	.59914	89	.29576
72	.57261	90	.29221
73	.55571	91	.26955
74	.53862	92	.25771
75	.52140	93	.24692
76	.50441	94	.23728
77	.48742	95	.22887

- d. Multiply the factor obtained in the above table by the figure which was obtained from Item b. For

example, if the net appraised value of the unencumbered property in question is \$1,000, and if the life tenant's nearest age was 71, the value of her life estate interest in this property would be \$589.14 (\$1,000 multiplied by the 71 age factor of .58914).

•37 (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10553 and 10554, Welfare and Institutions Code.

Repeal Section 44-213:

44-213 MEDICAL NEEDS -- GENERAL

44-213

The county shall explore actual and potential medical needs of each recipient and assist in arranging for necessary health care from the appropriate sources.

Regardless of his immediate needs every recipient of a cash grant shall be certified for basic and extended health care under the Medi-Cal Program. The specific scope of basic and extended health care available to public assistance recipients and procedures applicable in authorizing vendor payments for such care are set forth in "Medical Assistance Requirements." A "recipient" as used herein includes an eligible person for whom in the month the medical care is received:

- *1 A cash grant payment is made; or
- *2 The authorized grant is reduced to zero to adjust for an overpayment (see Section 44-335-2240); or
- *3 Aid is discontinued for a family in which the parent is employed part-time but is no longer financially eligible.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: 40 FR 45819, October 3, 1975.

Repeal Section 44-217:

44-217 SUBSTANDARD HOUSING

*1 ASSESSMENT OF ADEQUACY OF HOUSING

It is essential that every
area be assist such families
meeting minimum standards of
shelter as an integral part of
services assess the adequacy
of housing. The assessment shall
entirely devolve by or with
the enforcement the standards of
housing standards department
departments.

*2 Help to Families to Substandard

When the assessment of housing
department indicates the need
housing standards consultation
family and a plan worked out
housing. Where necessary
shall assist the family in
attempt to improve housing
elsewhere.

*3 Refer to Local Housing Enforcement

When the county welfare department
indicates probable substandard
for improvement can be arranged
the local housing enforcement
report requested as to whether
standards.

*4 Continuing County Responsibility

If housing is determined to be
agency the county welfare
responsibility for helping
housing.

Authority Cited: Sections 10553
Institutions Code

Reference: 40 FR 45819, October 3, 1975.

Repeal Section 44-223:

44-223 MOTHER IN A MATERNITY HOME

44-223

When a mother is living in a maternity home her total need is the amount required to purchase the board and care she requires usually based on the standard rate for the home.

If the mother is capable of making her own plans and handling the money payment shall be made to the mother and federal participation may be claimed.

If the mother has been placed as part of a plan made by a social agency or by her parents because she requires supervision or because she is not considered capable of handling the money payment need shall be determined as for a child in foster care and payment shall be made to the institution.

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Sections 10553 and 10554, Welfare and Institutions Code.

Amend Sections 44-350.1 and 44-350.2b); and renumber Sections 44-350.11, .12, .122, .13, and .14 to read as follows:

44-350 • OVERPAYMENTS -- GENERAL

44-350

•1 General

•11 Any overpayment which occurred prior to April 2, 1982 and which is determined to be nonwillful, in accordance with regulations in effect during the month that the overpayment occurred, shall not be recouped except through voluntary repayment.

•112 When For any willfull overpayment which was discovered prior to April 2, 1982 and the maximum adjustment period had not expired prior to April 1982, adjustment shall be continued as specified in Section 44-352 as long as necessary to recover the overpayment.

•123 When For any overpayment, except those described in 44-350.11, which is discovered on or after April 2, 1982, the overpayment shall be recouped in accordance with regulations in effect on the date of discovery, except as follows:

•124 When the overpayment is determined to be nonwillful in accordance with regulations in effect during the month the overpayment occurred, the overpayment may not be recouped unless the adjustment period has been extended beyond March 1982 by a State Hearing decision if the overpayment occurred prior to the following months:

 •1241 April 1982 if the overpayment is due to excess property.

 •1242 October 1982 if the overpayment is due to factors other than excess property.

•1224 (Continued)

•135 (Continued)

 •1351 (Continued)

•145 (Continued)

•2 Definitions (in Alphabetical Order)

a) (Continued)

b) Administrative Error Overpayment - Except as provided in Section 44-350.~~434151~~, an overpayment caused by error on the part of the county when all information necessary to a correct determination of the grant was in the possession of the county.

c) thru l) (Continued)

Authority Cited: Sections 10553 and 10554, Welfare and Institutions Code.

Reference: Section 11004, Welfare and Institutions Code. Final Judgement No. 70709 filed February 13, 1985 in the case of Collins v. Woods.

FILED

In the office of the Secretary of State
of the State of California

APR 6 1987

At 4:00 o'clock P.M.

MARCH FONG EU, Secretary of State

Linda Hurdle Stockdale Brewer
Secretary of State

Office of Administrative Law Certification of Approval

I, Linda Hurdle Stockdale Brewer, hereby certify that the regulations submitted in the rulemaking file identified below were reviewed and approved by me this date, in my capacity as the Director of the Office of Administrative Law.

Submitting Agency: Department of Social Services

OAL File No.: 87-0706-02



Linda Hurdle Stockdale Brewer
Director

8/6/87
Date

SUBMITTED FOR REVIEW

JUL 15 1987

OFFICE OF ADMINISTRATIVE LAW

ENDORSED
APPROVED FOR FILING

AUG 10 1987

Office of Administrative Law

For use of Office of Adm Law

FACE SHEET

FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE OFFICE OF ADMINISTRATIVE LAW

CERTIFICATION I hereby certify that the attached are true and correct copies of regulations adopted, amended or repealed by this agency and that the information specified on this Face Sheet is true and correct.

RDB 0187-01
OAL 87-0312.2E

FILED

In the office of the Secretary of State
of the State of California

AUG 10 1987

At 4:12 o'clock P.M.
MARCH FONG EU, Secretary of State

By *John Bates*
Faxed by Secretary of State only
My signature is on file

Department of Social Services

(AGENCY)

John S. McHugh

AGENCY OFFICER WITH RULEMAKING AUTHORITY

Date: 7/14/87

TELEPHONE

1. AGENCY CONTACT PERSON FOR THIS FILING
(See instructions)

TITLE

Rosalie Clark, Chief, Regulations Development Bureau 445-0313

2. Type of filing, (check one) 30-day Review Emergency Certificate of Compliance (Complete Part 4 below)

Regulatory changes resulting from Govt. Code 11349.7 review (Complete Part 6 below)
 Nonsubstantive changes with nonregulatory effect Printing Error Correction

3. a. Specify California Administrative Code title and sections as follows:

SECTIONS ADOPTED:

Title MPP

SECTIONS AMENDED:

50-015

SECTIONS REPEALED:

APPROVED

b. The following sections listed in 3a contain modifications to the text originally made available to the public:

50-015.312(a) .313, .513, .514, .71(a), .711 and .81

4. CERTIFICATE OF COMPLIANCE (Government Code Section 11346.1(e): The above-named agency officer certifies that this agency complied with the provisions of Government Code Sections 11346.4-11346.8. (Check one)

prior to the emergency adoption
 within 120 days of the effective date of the emergency adoption of the above-referenced regulations.

5. Is this filing a resubmittal of a previously disapproved or withdrawn regulation?

No Yes, if yes, give date(s) of prior submittal(s) to OAL:

6. Is the filing submitted to carry out amendments or repeals identified in the statement of review completion submitted as a result of the agency's review of regulations administered by it as of June 30, 1980?

No Yes, if yes, give date statement was submitted to OAL

7. If these regulations required prior review and approval or concurrence by any of the following agencies, check appropriate box(es)

Fair Political Practices Commission (Include FPPC approval stamp) Building Standards Commission (Attach approval)
 State Fire Marshall (Attach approval) Department of Finance (Attach properly signed Std. 399)
 Other _____

(SPECIFY AGENCY)

8. a. PUBLICATION DATE OF NOTICE IN CALIFORNIA ADMINISTRATIVE NOTICE REGISTER
April 3, 1987

b. DATE OF FINAL AGENCY ACTION
July 14, 1987

c. DATES OF AVAILABILITY OF MODIFIED REGULATION(S) (GOVT. CODE SEC. 11346.8(c)) June 18, 1987 thru 5:00 p.m. July 3, 1987

9. Effective date of regulatory changes: (See Government Code Section 11346.2 and instructions on reverse)

a. Effective 30th day after filing with the Secretary of State.

b. Effective upon filing with the Secretary of State.

c. Effective on _____ as required or allowed by the following statute(s): _____

d. Effective on _____ (Designate effective date *earlier than* 30 days after filing with the Secretary of State pursuant to Govt. Code Sect. 11346.2(d).)

Attach request demonstrating good cause for early effective date. Request subject to OAL approval.

e. Effective on _____ (Designate effective date *later than* the normal effective date for the type of order filed.)

INSTRUCTIONS FOR STD 400

Completed Face Sheet for Filing Regulations with the Office of Administrative Law must be attached to the front of each of the seven copies of the regulations. Note that at least one Face Sheet must contain an original signature of the agency officer with rulemaking authority.

- Part 1. Provide the name and telephone number of the person who is authorized during the review period to answer questions regarding this regulatory filing. If different than person designated in certification box, attach order delegating authority for making decisions regarding these regulations.
- Part 2. Check the appropriate box. NOTE: Nonsubstantive changes are reviewed by and are subject to OAL approval.
- Part 3 a. Provide the Administrative Code Title in which the regulation will appear and list *section* number of each regulation to be amended, adopted or repealed. *When filing a Certificate of Compliance list the section number of each emergency regulation formally adopted after completion of the rulemaking procedures of the APA.* (Attach additional sheets if necessary.)
 - b. Please list the section number of each regulation which includes modifications to the text to the regulations originally made available to the public pursuant to Government Code Section 11346.5(b), and adopted, amended or repealed as modified pursuant to Government Code Section 11346.8(c). The sections listed here must correspond to the sections which were made available for 15 days pursuant to Government Code Section 11346.8(c).
- Part 4. Check appropriate box as necessary to comply with the requirements of Government Code Section 11346.1(e).
- Part 5. Specify date(s) and file number(s) of each prior submittal of these regulatory changes which was withdrawn or disapproved.
- Part 6. OAL has a longer time period to review regulatory changes submitted to carry out amendments and repeals which are identified in the agency's Statement of Review Completion and which have been submitted as a result of the agency's review of regulations administered by it as of June 30, 1980. Therefore, these regulatory changes should be submitted in a separate filing from any other regulatory changes. If not submitted separately, regulations not resulting from the review and any material in the rulemaking file relating to them must be clearly identified.
- Part 7. Certain regulatory activities must be reviewed and approved by other state agencies prior to submittal to OAL. Regulations subject to prior approval include:
 - a. Fire and panic safety regulations (Govt. Code Sec. 11342.3.).
 - b. Building standards as defined in Section 18909 of the Health and Safety Code (Govt. Code Sec. 11343).
 - c. Conflict of Interest regulations (Title 2 California Admin. Code Section 18750(i)).

Note: Where regulations have a fiscal impact on state, local or federal government or result in reimbursable costs to local government or school districts the fiscal impact statement must be reviewed, approved and signed by the Department of Finance before the regulations will be accepted for filing by OAL. See Government Code Sections 11349.1, 11346.5(a)(6), and S.A.M. sections 6050-6057.
- Part 8 a. Provide the publication date of the Notice Register in which the notice of proposed action appeared.
 - b. Provide the date on which the regulatory agency adopted the regulatory changes.
 - c. If the regulations were modified subsequent to the hearing or written comment period, provide the dates during which the modified regulations were made available to the public. Note that period must be at least 15 days and must be completed prior to the date the agency adopts the modified text. All modifications must be clearly indicated.
- Part 9. Effective Dates — check one of the following:
 - a. A regulation or order of repeal is effective 30 days after filing with the Secretary of State unless a different date is specified below.
 - b. An emergency order, Certificates of Compliance or nonsubstantive change is effective upon filing with the Secretary of State unless a later date is specified below.
 - c. If an effective date other than specified above is required or allowed by statute, provide the date and the statutory citations(s).
 - d. If an early effective date is being requested, please attach a letter specifying the date the regulation(s) should take effect and the reason for the early effective date. Requests are granted by OAL upon a showing of good cause.
 - e. If an effective date later than specified above is requested, provide the date.

FILING REQUIREMENTS

The following material must be submitted when filing regulations with OAL:

- *Seven (7) copies of the regulations.* Note: Use underline and strikeout to indicate changes in an existing section. For adoption of a new section, underline new text. The repeal of an entire section may be indicated by placing a diagonal slash through the text to be repealed.
- *A completed Face Sheet for filing regulations with the Office of Administrative Law, Form STD 400 attached to the front of each copy of the regulations, with at least one Face Sheet bearing an original signature.*
- *Complete rulemaking file, with index and sworn statement.* (See Govt. Code Sec. 11347.3 for full list of rulemaking contents.)

CERTIFICATE OF COMPLIANCE - Section 11346.1(e), Government Code

The Department of Social Services hereby certifies that it has complied with the provisions of Sections 11346.4 through 11346.8 inclusive of the Government Code, within 120 days of the effective date of the following emergency regulations which were filed with the Secretary of State on March 17, 1987, and which became effective on March 17, 1987.

Manual of Policies and Procedures, Division 50, Chapter 50-015,
Sections:

<u>Amended</u>	<u>Adopted</u>	<u>Repealed</u>
	50-015	

These regulations were presented at public hearing on May 20, 1987. As a result of the public hearing the following sections have been changed.

<u>Amended</u>	<u>Adopted</u>	<u>Repealed</u>
50-015.312(a)		
50-015.313		
50-015.513		
50-015.514		
50-015.71(a)		
50-015.711		
50-015.81		

Linda S. McMahon
LINDA S. McMAHON
Director

Date

7/14/87

DELEGATED AUTHORITY ORDER

I hereby authorize and designate Rosalie P. Clark, Chief, Regulations Development Bureau as the agency contact person who has authority to make decisions and answer questions regarding this regulation order.



LINDA S. McMAHON
Director

Amend Section 50-015 to read:

50-015 GRIMESY v. McMAHON RETROACTIVE COURT CASE

50-015

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HANDBOOK

•1 Background

The Grimesy v. McMahon lawsuit challenged the state Department of Social Services (hereinafter referred to as "SDSS"), authority to deem the income of senior parents to 18-year-old minor parents living at home and not attending school. On June 24, 1986 the United States District Court for the Northern District of California issued an injunction prohibiting SDSS from further implementation of MPP 44-133.7 (Senior Parent Deeming) and from recovering overpayments due to failure to consider senior parent income for members of the class. The court also ordered SDSS to confer with plaintiffs' attorneys for the purpose of developing procedures to provide retroactive benefits to class members. On December 22, 1986 the Order for retroactive benefits was issued and the provisions of that Order are set forth in the following regulations.

•2 Definitions

For the purposes of these regulations:

- (a) "Class Member" or "Minor Parent" means an otherwise cash-aid-eligible 18-year-old person who was pregnant or was living with his/her child and was also living with a senior parent and was not meeting the school attendance requirements of Section 42-101.2, and who had his/her cash aid reduced, denied, or terminated during the retroactive period due to the income of the senior parent.
- (b) "Senior Parent" means the natural or adoptive parent, or legal guardian of a minor parent.
- (c) "Claim Form" means that portion of the SDSS designed informing/claiming notice which must be completed, signed, and returned to the appropriate county welfare department for determination of a claimant's eligibility for retroactive benefits.

- (d) "Supplemental Claim Form" means that SDSS designed claiming document which is to be mailed to and used by the claimant when the claimant's case record is not available, or the information contained in the claimant's case record is not sufficient to permit the determination of eligibility for retroactive benefits.
- (e) "Retroactive Period" means the period of time between January 18, 1985 and June 23, 1986.
- (f) The following forms are available pursuant to these regulations, and are identified by form number as follows:

Informing/Claiming Notice and Claim Form (state mailed)
TEMP 1694

Informing/Claiming Notice and Claim Form (county mailed)
TEMP 1694A

Supplemental Claim Form TEMP 1694B

HANDBOOK

•3 Informing Potentially Eligible Persons of the Availability of Retroactive Benefits.

•31 In order to notify potentially eligible persons SDSS shall:

•311 On or before April 1, 1987, send by first class mail an informing/claiming notice printed in both English and Spanish to all persons who were 18 years of age and who received AFDC-linked Medi-Cal benefits between January 1, 1985 and August 31, 1986.

•312 Issue posters printed in both English and Spanish informing the general public of the availability of benefits. The posters shall contain the same language as the informing/claiming notice.

(a) These posters shall be provided to the Employment Development Department, Social Security Offices, and County Welfare Departments (hereinafter referred to as CWD's), for posting throughout the State of California from April 1, 1987 through June 30, 1987. Additional posters will be made

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available for posting in all legal aid offices in the state.

- 313 Provide CWD's with reproducible copies of the English and Spanish informing/claiming notice.

•32 County Responsibilities

- 321 The counties identified in Subsection •322 below shall either identify all applications for AFDC which were denied due to Section 44-133.7, or identify all applications which were denied due to excess income between January 18, 1985 and June 23, 1986, and shall mail an informing/claiming notice on or before April 1, 1987 to all such applicants.
- 322 The counties responsible for identifying applicants and mailing the specified informing/claiming notice as set forth in Subsection •321 above are: Alameda, Amador, Calaveras, Contra Costa, Fresno, Kern, Lassen, Los Angeles, Marin, Mendocino, Monterey, Napa, Orange, Placer, Plumas, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, San Joaquin, San Luis Obispo, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Sutter, Ventura, and Yolo.
- 323 All counties shall post English and Spanish informing posters, supplied by SDSS, in conspicuous locations in all CWD offices from April 1, 1987 through June 30, 1987.
- 324 All counties shall forward a supply of the English and Spanish informing posters, supplied by SDSS, to all Food Stamp issuance outlets within the county with instructions that the posters be displayed in conspicuous locations from April 1, 1987 through June 30, 1987.
- 325 All counties shall reproduce a supply of the English and Spanish informing/claiming notice specified in Subsection •313 and shall give or mail such notices to anyone upon request.
- 326 All counties shall designate a person who will be responsible for receiving and processing changes of address for claimants if payment of retroactive benefits is stayed pending appeal of the lawsuit.

.4 Application for Retroactive Benefits

.41 Claimant Responsibilities

.411 The claimant shall complete and sign, under penalty of perjury, the claim form.

(a) A claim form shall be considered complete when the claimant has provided a response to all the questions and has provided a name, address, date of birth and social security number (SSN) or indication that claimant has no SSN.

.412 The claimant shall submit a claim form to the CWD in each county from which cash aid was received, or was denied/discontinued during the month(s) for which retroactive benefits are being claimed.

.413 The claim form must be submitted by June 30, 1987, except as provided in Subsection .414.

(a) Unless the evidence indicates otherwise, the date the claim form is submitted shall be determined as follows:

1. The postmark date of the envelope when the claim is mailed to the CWD; or

2. The date stamped on the claim form by the CWD, when the claim is delivered in person to the CWD; or

3. The date the claim form was signed by the claimant, when the date cannot be determined by either (1) or (2) above.

.414 The claimant shall be permitted to resubmit a previously denied claim or a portion thereof, if the claim has been denied in accordance with Subsection .522 and the date of resubmittal is on or before July 30, 1987 or 30 days from the date of the denial for submission to the wrong CWD, whichever is later.

.42 CWD Responsibilities

- 421 The CWD shall stamp each claim form with the date the form was received and shall retain all envelopes that were postmarked after June 30, 1937.
- 422 Claims submitted after the date specified in Subsection •413 above shall be denied except as provided in Subsection •414 above.
- 423 The CWD shall attempt to locate a case record, including a Medi-Cal case record, for the claimant.

•5 Claim(s) Processing

- 51 The CWD shall review each claim form to determine whether the claimant may be a member of the class and whether claimant has provided a complete claim form pursuant to Subsection •411.
- 511 If the claimant answered "no" to any of the first five questions on the claim form, the claimant is not a member of the class and the county shall deny the claim without further review.
- 512 The CWD shall review the claim form and request further information or clarification if the form is incomplete or the information is internally inconsistent.
- 513 In the event the case record cannot be located or the information contained in the case record is insufficient to confirm or deny class membership as defined in Subsection •2(a), the CWD shall mail a supplemental claim form to the claimant. Where the case record does contain sufficient information, compute retroactive benefits in accordance with subsection •6 below.
- 514 If the supplemental claim form is not returned to the CWD within 60 days of the date mailed to the claimant, the claim shall be denied.
 - (a) The date the supplemental claim form is returned to the CWD is determined in accordance with subsection •413(a) above.
- 515 Claimants may be requested to supply documentation of information provided in the supplemental claim form where such documentation is actually in the

claimant's possession. Where claimants do not have documentation in their possession they may be asked to sign a release of information enabling the county to obtain documentation on their behalf. Signature for the release of information and the claimant's sworn statement that the information provided is correct, will be sufficient to process a claim for retroactive benefits.

- 516 Where the CWD determines, based on information in the case record or on the supplemental claim form, that the claimant was not eligible for cash aid due to excess income, excess property, or lack of a basis of deprivation for the child during all or part of the retroactive period, the claim shall be denied for those months.
- 517 If the CWD determines that the claimant is not a member of the class, the CWD shall deny the claim. The CWD shall review all existing records and shall deny the claim if no record can be found that the claimant applied for or received cash aid. This provision applies only when the CWD can certify that a listing of cash aid cases (such as the AFDC payroll or warrant register) was retained in addition to cash aid case records for the month(s) claimed. In addition, this provision can be applied to claimants who were denied cash aid only when the CWD can certify that existing cash aid case records include all denials.
- 52 If a CWD receives a claim for any period in which the CWD can determine from the claim form or the case record that the form has been submitted to the wrong county, the CWD shall either:
 - 521 Forward within 15 working days from the date of receipt the claim form or a copy thereof to the correct CWD, with a copy of the Notice of Action (NOA) sent to the claimant, indicating the claim month to be processed by the second CWD, when the correct CWD can be determined by the information on the claim form or case record. In addition, the CWD shall inform the claimant on a NOA, that for the period in question, his/her claim has been forwarded to the correct CWD for processing.
 - (a) The date the claim form was submitted to the first CWD, as determined in Subsection

.413(a), shall be considered the date of submission to the second CWD.

-or-

.522 Deny that period claimed in which the correct CWD cannot be determined from the information on the claim form. The CWD shall return the claim form or a copy thereof together with the Notice of Action informing the claimant of the denial.

.5 Calculation of Retroactive Benefits

When the case record contains sufficient information or when retroactive benefits are being computed upon the information contained on a supplemental claim form, the CWD shall determine the amount of the retroactive benefits as follows:

- .61 In the event that the information on the claim form conflicts with the information contained in the case record, the CWD shall use the information contained in the case record to determine the amount of retroactive benefits.
- .62 For each month of the retroactive period, determine the months in which the claimant would have been eligible if senior parent income had not been considered (See Subsection .516).
- .63 For each month determined in Subsection .62 above calculate the correct grant in accordance with Chapter 44-100 (Income) and Section 44-315.4 (Amount of Aid) except:
 - (a) Senior parent income shall not be deemed to the minor parent;
 - (b) The value of need items contributed by the senior parent to the minor parent shall not be considered as income in-kind;
 - (c) If the minor parent received cash from the senior parent with instructions to use the cash to make a purchase for the entire family, including the senior parent unit, the cash shall not be considered income to the minor parent and child(ren) regardless of the nature of the expenditures;

- (d) When any person (including the senior parent) gave the minor parent cash which was to be used for the minor parent or child(ren) and the cash was given for a restricted purpose, the cash was not available to otherwise meet current needs and, therefore, shall not be considered income to the minor parent or child(ren);
- (e) Cash which was voluntarily and regularly given to the minor parent but was not restricted as to use is considered income to the minor parent only to the extent it exceeds \$60 per calendar quarter.

•64 Determine the amount of cash aid actually received by the claimant and compare it to the correct grant for each month identified in Subsection •62 above.

- (a) If the cash aid received is less than the correct grant, the difference is the retroactive benefit for that month, to be paid in accordance with Subsection •7 below.
- (b) If the cash aid received is more than the correct grant, an overpayment exists and shall be balanced against retroactive benefits prior to payment under Subsection •7 below.
- (c) If the cash aid received is the same as the correct grant, and an overpayment was previously calculated for that month due to the deeming of senior parent income, the overpayment shall be voided, all recoupment activity shall cease, and any amounts previously recouped shall be considered a retroactive benefit to be paid under Subsection •7 below.
- (d) If the cash aid received is the same as the correct grant and no overpayment was previously calculated for that month, claimant is not a class member and the claim shall be denied.

•65 Notify claimants of the disposition of their claims within 90 days of the close of the claim period.

.7 Computation of the Total Retroactive Payment

.71 The CWD shall use the percentage specified in Subsection .711 to compute the amount of interest on the payable retroactive benefits for each month.

(a) Multiply the amount of the monthly retroactive benefit by the appropriate percentage for the month in which payment is authorized, as set forth in Subsection .711 below.

HANDBOOK

Example:

(Month of retroactive benefit) February 1985 = \$474.00

(Interest percentage to
be paid in payment
authorization month) x June 1987=x .2411
Interest Amount = \$114.28

(b) Add the amount of the monthly retroactive benefit to the interest as computed in (a) above to determine the monthly retroactive payment.

HANDBOOK

Example:

$$\text{Retroactive Benefit} + \text{Interest} = \text{Retroactive Payment}$$
$$\$474 + \$114.28 = \$588.28$$

(c) Determine the total amount of the retroactive payment by adding together the monthly payments as computed in (b) above.

TABLE FOR COMPUTING INTEREST FOR MONTHLY RETROACTIVE BENEFITS

711

HANDBOOK

RETROACTIVE BENEFIT MONTH	Payment Authorization Month											
	April 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept. 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	
January 85	.2329	.2414	.2496	.2581	.2666	.2748	.2833	.2915	.3000	.3085	.3162	
February 85	.2244	.2329	.2411	.2496	.2581	.2663	.2748	.2830	.2915	.3000	.3077	
March 85	.2167	.2252	.2334	.2419	.2504	.2586	.2671	.2753	.2838	.2923	.3000	
April 85	.2082	.2167	.2249	.2334	.2419	.2501	.2586	.2668	.2753	.2838	.2915	
May 85	.2000	.2085	.2167	.2252	.2337	.2419	.2504	.2586	.2671	.2756	.2833	
June 85	.1915	.2000	.2082	.2167	.2252	.2334	.2419	.2501	.2586	.2671	.2748	
July 85	.1833	.1918	.2000	.2085	.2170	.2252	.2337	.2419	.2504	.2589	.2666	
August 85	.1748	.1833	.1915	.2000	.2085	.2167	.2252	.2334	.2419	.2504	.2581	
September 85	.1663	.1748	.1830	.1915	.2000	.2082	.2167	.2249	.2334	.2419	.2496	
October 85	.1581	.1666	.1748	.1833	.1918	.2000	.2085	.2167	.2252	.2337	.2414	
November 85	.1496	.1581	.1663	.1748	.1833	.1915	.2000	.2082	.2167	.2252	.2329	
December 85	.1414	.1499	.1581	.1666	.1751	.1833	.1918	.2000	.2085	.2170	.2246	
January 86	.1329	.1414	.1496	.1581	.1666	.1748	.1833	.1915	.2000	.2085	.2162	
February 86	.1244	.1329	.1411	.1496	.1581	.1663	.1748	.1830	.1915	.2000	.2077	
March 86	.1167	.1252	.1334	.1419	.1504	.1586	.1671	.1753	.1838	.1923	.2000	
April 86	.1082	.1167	.1249	.1334	.1419	.1501	.1586	.1668	.1753	.1838	.1915	
May 86	.1000	.1085	.1167	.1252	.1337	.1419	.1504	.1586	.1671	.1756	.1833	
June 86	.0915	.1000	.1082	.1167	.1252	.1334	.1419	.1501	.1586	.1671	.1748	

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✖ ○ ◉ ⚡ Z ▶ ▷

.9 Statistical Reporting

.81 The CWD shall submit to SDSS a statistical report no later than September November 15, 1987, or 60 days from the date counties are instructed to make payment, whichever is later. The report shall contain the following information:

- (a) The number of claims paid;
- (b) The number of Supplemental Claim Forms sent out;
- (c) The number of claims received;
- (d) The total amount of money paid to reimburse class members;
- (e) The number of claims paid based solely on information in the case file; and
- (f) The number of claims paid based on information provided by Supplemental Claim Forms.

Authority Cited: Welfare and Institutions Code Sections 10553, 10554, 10604.

Reference: Welfare and Institutions Code Sections 10553, 10554, 10604, and Order RE: Retroactive Benefits issued by the United States District Court for the Northern District of California on December 22, 1986 in the case of Grimesy v. McMahon (No. C860947SW).

FILED

In the office of the Secretary of State
of the State of California

Office of Administrative Law
Certification
of
Approval

APRIL 10, 1987
AT 4:12 O'CLOCK P.M.
MARCH FONG EU, Secretary of State
By *Linda Hurdle Stockdale Brewer*
Linda Hurdle Stockdale Brewer, Secretary of State

I, Linda Hurdle Stockdale Brewer, hereby certify that the regulations submitted in the rulemaking file identified below were reviewed and approved by me this date, in my capacity as the Director of the Office of Administrative Law.

Submitting Agency: Department of Social Services

OAL File No.: 87-0715-02C



Linda Hurdle Stockdale Brewer
Linda Hurdle Stockdale Brewer
Director

Date

8-10-87

87-0713-01R

(See Instructions on Reverse)

SUBMITTED FOR REVIEW

JUL 13 1987

OFFICE OF ADMINISTRATIVE LAW
ENDORSED
APPROVED FOR FILING

AUG 10 1987

Office of Administrative Law

For use of Office of Adm Law

FACE SHEET

FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE OFFICE OF ADMINISTRATIVE LAW
CERTIFICATION I hereby certify that the attached
are true and correct copies of regulations
adopted, amended or repealed by this agency
and that the information specified on this Face
Sheet is true and correct.

RDB# 0486-19

Department of Social Services

(AGENCY)

Jane S. McHugh

AGENCY OFFICER WITH RULEMAKING AUTHORITY

Date:

7/13/87

FILED

In the office of the Secretary of State
of the State of California

AUG 10 1987

At 4:20 o'clock P.M.

MARCH FONG EU, Secretary of State

By *Rosalie Clark*
Deputy Secretary of State

For use by Secretary of State only

1. AGENCY CONTACT PERSON FOR THIS FILING
(See instructions)

TITLE

TELEPHONE

Rosalie P. Clark, Chief, Regulations Development Bureau

445-0313

2. Type of filing. (check one) 30-day Review Emergency Certificate of Compliance
(Complete Part 4 below)

Regulatory changes resulting from Govt. Code 11349.7 review (Complete Part 6 below)

Nonsubstantive changes with nonregulatory effect Printing Error Correction

3. a. Specify California Administrative Code title and sections as follows:

SECTION ADOPTED:

Title 22

SECTION AMENDED:

87001, 87010, 87045, 87064 (b) (6), 87068.2(c) (9), 87075(c), 87075(e), & 87075(h)

SECTION REPEALED:

APPROVED

b. The following sections listed in 3a contain modifications to the text originally made available to the public: 87045(c)(1), 87064, 97068.2(c)(9)(A), 87075(c), 87075(e), & 87075(h)

4. CERTIFICATE OF COMPLIANCE (Government Code Section 11346.1(e): The above-named agency officer certifies that this agency complied with the provisions of Government Code Sections 11346.4-11346.8. (Check one)

prior to the emergency adoption
 within 120 days of the effective date of the emergency adoption of the above-referenced regulations.

5. Is this filing a resubmittal of a previously disapproved or withdrawn regulation?

No Yes, if yes, give date(s) of prior submittal(s) to OAL: February 4, 1987

6. Is the filing submitted to carry out amendments or repeals identified in the statement of review completion submitted as a result of the agency's review of regulations administered by it as of June 30, 1980?

No Yes, if yes, give date statement was submitted to OAL

7. If these regulations required prior review and approval or concurrence by any of the following agencies, check appropriate box(es)

<input type="checkbox"/> Fair Political Practices Commission (Include FPPC approval stamp)	<input type="checkbox"/> Building Standards Commission (Attach approval)
<input type="checkbox"/> State Fire Marshall (Attach approval)	<input type="checkbox"/> Department of Finance (Attach properly signed Std. 399)
<input type="checkbox"/> Other _____	(SPECIFY AGENCY)

8. a. PUBLICATION DATE OF NOTICE IN CALIFORNIA
ADMINISTRATIVE NOTICE REGISTER

October 3, 1986

b. DATE OF FINAL AGENCY ACTION

July 13, 1987

c. DATES OF AVAILABILITY OF MODIFIED REGULATION(S) (GOVT. CODE SEC. 11346.8(c))

June 25, 1987 to July 9, 1987

9. Effective date of regulatory changes: (See Government Code Section 11346.2 and instructions on reverse)

a. Effective 30th day after filing with the Secretary of State.

b. Effective upon filing with the Secretary of State.

c. Effective on _____ as required or allowed by the following statute(s): _____

d. Effective on _____ (Designate effective date *earlier than* 30 days after filing with the Secretary of State pursuant to Govt. Code Sect. 11346.2(d).)
Attach request demonstrating good cause for early effective date. Request subject to OAL approval.

e. Effective on _____ (Designate effective date *later than* the normal effective date for the type of order filed.)

INSTRUCTIONS FOR STD 400

Completed Face Sheet for Filing Regulations with the Office of Administrative Law must be attached to the front of each of the seven copies of the regulations. Note that at least one Face Sheet must contain an original signature of the agency officer with rulemaking authority.

- Part 1. Provide the name and telephone number of the person who is authorized during the review period to answer questions regarding this regulatory filing. If different than person designated in certification box, attach order delegating authority for making decisions regarding these regulations.
- Part 2. Check the appropriate box. NOTE: Nonsubstantive changes are reviewed by and are subject to OAL approval.
- Part 3 a. Provide the Administrative Code Title in which the regulation will appear and list *section* number of each regulation to be amended, adopted or repealed. *When filing a Certificate of Compliance list the section number of each emergency regulation formally adopted after completion of the rulemaking procedures of the APA.* (Attach additional sheets if necessary.)
 - b. Please list the section number of each regulation which includes modifications to the text to the regulations originally made available to the public pursuant to Government Code Section 11346.5(b), and adopted, amended or repealed as modified pursuant to Government Code Section 11346.8(c). The sections listed here must correspond to the sections which were made available for 15 days pursuant to Government Code Section 11346.8(c).
- Part 4. Check appropriate box as necessary to comply with the requirements of Government Code Section 11346.1(e).
- Part 5. Specify date(s) and file number(s) of each prior submittal of these regulatory changes which was withdrawn or disapproved.
- Part 6. OAL has a longer time period to review regulatory changes submitted to carry out amendments and repeals which are identified in the agency's Statement of Review Completion and which have been submitted as a result of the agency's review of regulations administered by it as of June 30, 1980. Therefore, these regulatory changes should be submitted in a separate filing from any other regulatory changes. If not submitted separately, regulations not resulting from the review and any material in the rulemaking file relating to them must be clearly identified.
- Part 7. Certain regulatory activities must be reviewed and approved by other state agencies prior to submittal to OAL. Regulations subject to prior approval include:
 - a. Fire and panic safety regulations (Govt. Code Sec. 11342.3.).
 - b. Building standards as defined in Section 18909 of the Health and Safety Code (Govt. Code Sec. 11343).
 - c. Conflict of Interest regulations (Title 2 California Admin. Code Section 18750(i)).

Note: Where regulations have a fiscal impact on state, local or federal government or result in reimbursable costs to local government or school districts the fiscal impact statement must be reviewed, approved and signed by the Department of Finance before the regulations will be accepted for filing by OAL. See Government Code Sections 11349.1, 11346.5(a)(6), and S.A.M. sections 6050-6057.
- Part 8 a. Provide the publication date of the Notice Register in which the notice of proposed action appeared.
 - b. Provide the date on which the regulatory agency adopted the regulatory changes.
 - c. If the regulations were modified subsequent to the hearing or written comment period, provide the dates during which the modified regulations were made available to the public. Note that period must be at least 15 days and must be completed prior to the date the agency adopts the modified text. All modifications must be clearly indicated.
- Part 9. Effective Dates — check one of the following:
 - a. A regulation or order of repeal is effective 30 days after filing with the Secretary of State unless a different date is specified below.
 - b. An emergency order, Certificates of Compliance or nonsubstantive change is effective upon filing with the Secretary of State unless a later date is specified below.
 - c. If an effective date other than specified above is required or allowed by statute, provide the date and the statutory citations(s).
 - d. If an early effective date is being requested, please attach a letter specifying the date the regulation(s) should take effect and the reason for the early effective date. Requests are granted by OAL upon a showing of good cause.
 - e. If an effective date later than specified above is requested, provide the date.

FILING REQUIREMENTS

The following material must be submitted when filing regulations with OAL:

- *Seven (7) copies of the regulations.* Note: Use underline and strikeout to indicate changes in an existing section. For adoption of a new section, underline new text. The repeal of an entire section may be indicated by placing a diagonal slash through the text to be repealed.
- *A completed Face Sheet for filing regulations with the Office of Administrative Law, Form STD 400 attached to the front of each copy of the regulations, with at least one Face Sheet bearing an original signature.*
- *Complete rulemaking file, with index and sworn statement.* (See Govt. Code Sec. 11347.3 for full list of rulemaking contents.)

DELEGATED AUTHORITY ORDER

I hereby authorize and designate Rosalie P. Clark, Chief, Regulations Development Bureau as the agency contact person who has authority to make decisions and answer questions regarding this regulation order.



LINDA S. McMAHON
Director

UPDATED INFORMATIVE DIGEST

INFORMATIVE DIGEST: The existing California Community Care Facilities Act permits community care facilities to provide incidental medical services. However, if these services constitute a substantial component of the service provided by the facility, the California Community Care Facilities Act does not authorize these incidental medical services to be provided under the facility's license.

Assembly Bill 2852, Chapter 1233, Statutes of 1984 added Section 1507.5 to the Health and Safety Code authorizing the provision of in-home medical care for ventilator-dependent children in foster family homes and provided that these services shall not be considered as a substantial component of the services provided by the licensee. The statute required that the ventilator-dependent child receive medical supervision and case management under the California Children's Services Program and that the in-home medical care be provided by a licensed home health care service agency. The statute also provided that the State Department of Social Services shall not evaluate or have any responsibility or liability for the evaluation of these medical services.

Existing foster family regulations do not make provision for or set standards for the reception or care of ventilator-dependent children. These proposed additions and amendments to existing foster family home regulations would set specific standards regarding the reception or care of ventilator-dependent children by: 1) defining who may be considered a ventilator-dependent child for the purpose of foster care; 2) limiting the number of ventilator-dependent children the licensee may accept at any one time; 3) specifying the licensee's responsibility for obtaining the necessary in-home medical services for the ventilator-dependent child from specifically qualified health care staff; 4) specifying particular training for health care staff and for the licensee relative to the needs of the ventilator-dependent child; and 5) requiring the licensee to obtain and maintain certain documentation which would assure the licensing agency that the licensee is capable of providing or obtaining the care required to meet the needs of the ventilator-dependent child.

Also, the statutory language which prohibits the State Department of Social Services or its agents from evaluating or exercising any responsibility or liability for the evaluation of medical

services for the ventilator-dependent child would be adopted as handbook.

FINAL STATEMENT OF REASONS

a) Description of the Public Problem, Administrative Requirement, or Other Condition or Circumstance the Regulations Are Intended to Address

Assembly Bill 2852, Chapter 1233, Statutes of 1984, added Section 1507.5 to the Health and Safety Code to allow the placement of ventilator-dependent children in foster family homes. This section provides for the following:

1. Ventilator-dependent children shall receive medical supervision and case management under the California Children Services Program.
2. In-home medical care shall be provided by a licensed home health care service agency.
3. The State Department of Social Services and its agents shall not evaluate or have any responsibility or liability for the evaluation of the medical services described in this section.

This section is necessary to provide a noninstitutionalized, family oriented environment to children requiring ventilation assistance. These regulatory amendments are necessary to allow the placement as well as protect the health and safety of ventilator-dependent children in foster family homes.

b) Specific Purpose of the Regulations and Factual Basis for Determination that Regulations Are Necessary

Section 87001(a)(38)

Specific Purpose:

This section places into regulation the definition of a ventilator-dependent child.

Factual Basis:

This section is necessary to clarify and identify a specific client population. Currently there does not exist a regulatory definition of a ventilator-dependent child. Because of the diagnosis, a ventilator-dependent child requires constant supervision, and multiple procedures

associated with their tracheostmies and ventilatory needs. The Department relied upon the expertise of physicians from the Department of Pediatrics, Ranchos Los Amigos Medical Center and a Pulmonary Nurse Specialist from the Pediatric Pulmonary Center, Children's Hospital, Oakland, to assist with the development of the specific provisions of the definition of a ventilator-dependent child.

Section 87010(d)

Specific Purpose:

This requirement limits the number of ventilator-dependent children that may be placed in a foster family home to one, regardless of licensed capacity.

Factual Basis:

This section is necessary to avoid the creation of an institutionalized setting in a foster family home. Community care facilities are "nonmedical" facilities. The intent of the foster family home is to provide normalization, in the least restrictive, noninstitutionalized environment possible. Since medical services are to be provided in a nonmedical facility, limiting the placement of the number of clients requiring medical services would reduce the possibility of the facility's appearance resembling that of a health facility.

Final Modification:

The citation of this section was changed from 87009(d) to 87010(d) to reflect the correct placement of the proposed regulatory language into existing format.

Section 87045(c)

Specific Purpose:

This section provides statutory language regarding the evaluation of medical services provided to a ventilator-dependent child in foster family homes.

Factual Basis:

This section is necessary in order to make it clear that the Department has no responsibility or liability for the evaluation of medical services provided.

Final Modification:

The handbook language in Subsection 87045(c)(1) was amended to clarify that the California Children's Services Program will be responsible for the monitoring, medical supervision and case management of all medically related services provided to a ventilator-dependent child.

Section 87064(b)(6)(A)

Specific Purpose:

This section requires the foster parents of a ventilator-dependent child to receive designated training in order to meet the specific needs of the child.

Factual Basis:

This section is necessary to assure the licensing agency that the foster parents of a ventilator-dependent child have completed the hospital's discharge planning program and are trained to meet the specific needs of the child.

Final Modification:

A final modification was made to this regulation to require the licensee to maintain instead of provide documentation to the licensing agency verifying completion of the hospital's discharge planning program. Also, the subject heading for Section 87064 was corrected to reflect existing language by changing responsibility to responsibilities.

Section 87068.2(c)(9)(A)

Specific Purpose:

This section requires the licensee to develop and maintain instead of provide a plan for ensuring that in-home medical services required are provided according to the needs of the ventilator-dependent child.

Factual Basis:

This section is necessary in order to ensure that 24-hour care, supervision, and medical services (as needed) will be provided to the ventilator-dependent child while residing in the foster family home. This section is also necessary because existing regulations are not designed to accommodate the unique circumstances of a ventilator-dependent child.

Final Modification:

The requirement in Subsection 87068.2(c)(9)(A)(4) for a supplemental nursing plan was deleted to avoid duplication of existing guidelines, procedures, and requirements utilized by CCSP and Medi-Cal. The terms nursing services in Subitem (1) and nursing hours in Subitems (2) and (3) were changed to "in-home medically related services" and "in-home medical service hours" respectively. Finally, a technical change was made in Subitem (c)(9) by correcting "plan" to "plans" to reflect existing language.

Section 87075(c)(1)

Specific Purpose:

This section requires the licensee to provide current documentation that would verify the amount of medical services required by a ventilator-dependent child are actually being provided.

Factual Basis:

This section is necessary to require the licensee to provide documentation to ensure that the amount of in-home medical services required by a ventilator-dependent child are sufficiently being provided. In many cases, medical insurance coverage does not include payment for in-home nursing services provided for more than 16 hours per day. The licensee must ensure that medical services are provided to meet the child's needs.

Final Modification:

Subsection 87075(c)(1) was modified by changing the term "provide" to "maintain." The intent of this change was to clarify that the licensee is required to maintain current documentation rather than provide current documentation.

Section 87075(e)

Specific Purpose:

This section requires all adults providing direct care and supervision to receive training in first aid and CPR.

Factual Basis:

This section is necessary to assure the licensing agency that all adults residing in a foster family home that provides

care and supervision to a ventilator-dependent child are capable of administering first aid and/or CPR when required.

Final Modification:

The Department originally proposed to delete existing language in Subsection 87075(e). However, since the existing regulation applies to all foster family homes, the Department decided that it would be inappropriate to delete the existing language. The Department modified its original proposal by maintaining existing language in Subsection 87075(e) and by numbering the proposed new language as Subsection 87075(e)(1) to require licensees who provide direct care and supervision to ventilator-dependent children to maintain documentation verifying training in first aid and CPR.

Section 87075(h)(1)

Specific Purpose:

This section requires that medical services required by a ventilator-dependent child shall be provided by a registered nurse employed by a licensed in-home health agency.

Factual Basis:

This section is necessary to require a registered nurse who is employed by a licensed in-home health agency to provide the medical services that are required by a ventilator-dependent child. A Registered Nurse (RN) is required instead of a Licensed Vocational Nurse (LVN) because an RN has been extensively trained to observe symptoms, recognize complications, and has the professional ability to make decisions regarding treatment. The LVN has been trained to perform specific tasks under the direction and supervision of a registered nurse.

Final Modification:

The Department modified Subsection 87075(h)(1) by deleting the requirement that medical services be provided by a registered nurse. The determination of which medical services are to be provided and by whom remains within the jurisdiction of the California Children's Services Program. The medical services may include any of the services authorized by Welfare and Institutions Code Section 14132(t). Although the Department will not scrutinize the content of the evaluation of medical services, it is the Department's intent to continue to protect the health and safety of ventilator-dependent clients by establishing a regulatory

standard regarding the evaluation and not the provisions of the medical services.

Section 87075(h)(2)

Specific Purpose:

This section requires the licensee to obtain documentation verifying the completion by the attending registered nurse of the hospital's discharge planning program that has been specifically developed for the ventilator-dependent child receiving in-home medical services.

Factual Basis:

This section is necessary in order to assure the licensing agency that the registered nurse providing in-home medical services has completed the hospital's discharge planning program that was specifically developed for the ventilator-dependent child requiring medical services.

Final Modification:

This regulation was changed to require the attending nurse, instead of a registered nurse, to complete the hospital's discharge planning program, since the California Children's Services Program will designate and authorize the level of classification of nurse to provide the medical services to the ventilator-dependent child.

c) Identification of Documents Upon Which Department Is Relying

1. Assembly Bill (AB) 2852, Chapter 1233, Statutes of 1984.
2. Health and Safety Code Section 1530.5.
3. Letter to the Department dated May 27, 1987 from Michelle L. Minor, R.N., P.N.P., Pediatric Pulmonary Center, Children's Hospital Oakland.
4. Letter to the Department dated June 1, 1987 from Donna M. Barras, M.D. and Irene S. Gilgoff, M.D., Rancho Los Amigos Medical Center.

d) Testimony Summary and Response

The proposed Ventilator-Dependent Children in Foster Family Homes regulations were considered at public hearing on November 19, 1986. No oral testimony was presented at the hearing. The Department received written comments from three

county welfare departments (CWDs). (The Department received a written comment from Los Angeles County much too late to be considered during the Department's debriefing of testimony. Nevertheless, the county's comment was included in the rulemaking file for the record.) One CWD expressed support for regulations which would set standards for the reception and care of ventilator-dependent children but disagreed with the capacity limitation which would prohibit the licensee from caring for more than one ventilator-dependent child at any one time. Another CWD expressed concern that the proposed language restricting capacity to one ventilator-dependent child was unclear; and that the proposed regulation requiring that medical services be provided by a registered nurse was also unclear when compared with the factual basis for the regulation. No changes were made to the regulations, based on public comments, as presented at public hearing. The Department did concur with the observation by Riverside County of an inconsistency between the initial statement of reasons for Section 87075(h)(1), which stated that "all" medical services were required to be provided by a registered nurse, and the proposed regulation language, which did not require "all" medical services to be provided by a registered nurse. The final statement of reasons was changed to reflect accurately the proposed regulatory language. Also, grammatical nonsubstantive changes were made to the factual basis for Sections 87009(d), 87064(6)(A), 87075(e), and 87075(h)(2). These changes included changing "has" to "have" and removing an inappropriate punctuation. And, existing Title 22 authority and reference citations were added for each proposed regulation while the new reference cite was underlined. Specific comments provided by the counties and the Department's responses to those comments are as follows:

Section 87009(d)

Comment:

Riverside County Department of Public Social Services had the following comments:

2. Is it the intent of proposed regulation 87009(d) that:
 - a. The foster family home can only have one ventilator-dependent child in care with a license capacity limited to one child?
 - b. Or, a licensed capacity of 6 or fewer with other children in care, but only one ventilator-dependent child?

Response:

It is the intent of Section 87009(d) to limit the number of ventilator-dependent children in a foster family home to one, regardless of its licensed capacity. A foster family home is structured to provide a noninstitutionalized, family oriented environment to children. This concept would be jeopardized with the acceptance of more than one ventilator-dependent child per foster family home. Not only is it the child's right to live in the least restrictive environment possible, but also, community care facilities (including foster family homes) are defined as nonmedical facilities. Providing medical care for more than one ventilator-dependent child would constitute the appearance of a medical facility and thus negate the formulation of a family-oriented environment.

Comment:

The County of San Diego Department of Social Services had the following specific comments regarding proposed Section 87009:

"We are in agreement with those proposed amendments that set standards for the reception or care of ventilator-dependent children with the exception of Section 87009 which limits the number of foster children that may be placed in a foster family home to one, if that child is a ventilator-dependent child.

Proposed regulations would require the licensee to provide documentation that would verify that the amount of medical services required by a ventilator-dependent child are actually being provided. Since, in many cases, medical insurance coverage does not include payment for in-home nursing services provided for more than sixteen (16) hours a day, the licensee would, of necessity, bear any additional expense.

Placement of two ventilator-dependent children in one foster family home addresses this concern by extending the period of in-home nursing service to twenty-four (24) hours. It further facilitates the case management component under the California Children Services Program, and reduces the number of visits to be provided by licensed in-home health care agencies.

The likelihood of foster families being willing to accept ventilator-dependent children increases in proportion to the assurance that they will not be held liable for excess medical costs.

The placement of additional nonventilator-dependent children into a foster family home should not be precluded, but should be carefully evaluated by the Licensing Agency."

Response:

San Diego County indicated that under the proposed regulations, foster parents would be required to pay from their own resources for any medical care beyond the limits of their insurance coverage; that in many cases, costs incurred for in-home nursing services in excess of 16 hours per day are not covered; and that allowing placement of two ventilator-dependent clients per facility would be a solution to the insurance coverage issue.

The intent of the regulation which limits facility capacity to include only one ventilator-dependent client is not to deter foster parents from accepting these clients. The intent of the regulation is to preserve a homelike atmosphere for all clients in residence. The medical equipment needed to care for one ventilator-dependent client is a significant departure from the traditional nonmedical foster family home setting. If a licensee were to alter a facility to accommodate two ventilator-dependent clients, that facility would closely resemble a medical health care institution.

Furthermore, foster parents are required to provide for all care and supervision needs of the clients they accept. The Department believes that if the condition of a ventilator-dependent client is so fragile as to require 24-hour or continued on-call medical care, then that client would be inappropriate for placement in a community care facility.

Section 87045

Comment:

Section 87045 sets forth the Health and Safety Code mandate which prohibits evaluation by the Department of medical services provided to ventilator-dependent children. Santa Clara County felt it would be helpful if the regulations would address who does evaluate the medical services provided to ventilator-dependent children.

Response:

The licensing agency is precluded by law from participating in any way in the evaluation of the medical services provided to ventilator-dependent clients placed in community care

facilities. Health and Safety Code Section 1507.5 specifically states that evaluation and case management of all medical services will be provided by the California Children's Services Program.

Final Modification:

Based on the testimony from the county requesting that the regulations address who does evaluate the medical services provided to ventilator-dependent children, the Department added additional language in Handbook Section 87045(a)(1) from Health and Safety Code Section 1507.5 which specifies who provides medical supervision and case management of ventilator-dependent children.

Section 87075(e)

Comment:

Section 87075(e) requires that any adult providing direct care and supervision at any time shall provide documentation verifying current training in first aid and CPR. Santa Clara County asked whether teenagers, siblings, or foster siblings who are baby-sitting in the home would be required to be trained in first aid and CPR?

Response:

Individuals under age 18 are prohibited from providing direct care to clients without the supervision of an adult care provider. Therefore, the Department felt it was unnecessary to require CPR and first aid training for those individuals under age 18.

Final Modification:

The Department originally proposed to delete existing language in Subsection 87075(e). However, since the existing regulation applies to all foster family homes, the Department decided that it would be inappropriate to delete the existing language. The Department modified its original proposal by retaining the existing language in Subsection 87075(e) and by numbering the proposed new language as Subsection 87075(e)(1), to require licensees who provide direct care and supervision to ventilator-dependent children to maintain instead of provide documentation verifying training in first aid and CPR. The intent of this change was to clarify that the licensee is required to maintain current documentation rather than provide documentation.

Section 87075(h)

Comment:

Subitem (1) of proposed Section 87075(h) requires that medical services required by a ventilator-dependent child shall be provided by a registered nurse employed by a licensed in-home health agency. The Department's Initial Statement of Reasons for requiring that medical services be provided by a registered nurse was: "A registered nurse is required instead of a Licensed Vocational Nurse (LVN) because a registered nurse has been extensively trained to observe symptoms, recognize complications, and has the professional ability to make decisions regarding treatment. The LVN has been trained to perform specific tasks under the direction and supervision of a registered nurse."

Riverside County Department of Public Social Services had the following specific comments:

"A comparison of the language contained in the Initial Statement of Reasons, relative to 87075(h) and the actual Proposed Regulatory Language, in 87075(h) leaves room for an interpretation that not all medical services need be provided by a registered nurse. The Proposed Regulatory Language does not specify all.

If, in fact, it is meant that all medical services are to be provided by a registered nurse, does this not imply 24-hour coverage? At a minimum, an 8-hour shift plus stand-by/call back?"

Response:

The Department agreed with the county that for clarity and consistency, the word all should be deleted from the factual basis of the Final Statement of Reasons. The regulations do not specify that "all" medical services are to be provided by a registered nurse, because some services may be provided by a doctor. However, those services provided by a licensed in-home health agency must be provided by a "registered nurse" because of their experience, knowledge, and professional ability to make independent decisions regarding treatment. The Department was unable to specify in regulation the number of nursing hours required because of the varying individual medical needs of each ventilator-dependent client. The number of hours and types of medical care needed would be set forth in the hospital discharge plan, and the licensee is required to comply with the discharge plan.

Final Modification:

The Department modified Subsection 87075(h)(1) by deleting the requirement that medical services be provided by a registered nurse. The determination of which medical services are to be provided and by whom remains within the jurisdiction of the California Children's Services Program. The medical services may include any of the services authorized by Welfare and Institutions Code Section 14132(t). Although the Department will not scrutinize the content of the evaluation of medical services, it is the Department's intent to continue to protect the health and safety of ventilator-dependent clients by establishing a regulatory standard regarding the evaluation of, but not the provisions of, medical services.

Subsection 87075(h)(2) was modified by changing "obtain" in the first line of the sentence to "maintain," by deleting "registered" from the second line of the sentence, and by deleting the word "especially" from the last line of the sentence.

e) Local Mandate Statement

These proposed regulations would not constitute a mandate to local agencies or school districts. There are no state mandated local costs.

f) Statement of Potential Cost Impact on Private Persons or Businesses

The proposed regulations would have no fiscal impact on private persons or businesses.

g) Small Business Impact Statement

The proposed regulations would have no adverse fiscal impact on small businesses.

h) 15-Day Renotice Statement

Subsequent to submitting the regulations to the Office of Administrative Law (DAL) on February 4, 1987 and during the 30-day review period, DAL recommended changes to the originally submitted regulations which resulted in a 15-day renotice. The 15-day renotice and public availability of modified text was from June 25, 1987 through July 9, 1987. The Department received no written or oral comments on the modified text.

Amend Section 87001(a) and renumber Sections 87001(a)(38) to 87001(a)(39) to read:

87001 DEFINITIONS

87001

(a) The following definitions shall apply whenever the terms are used throughout this chapter. (Continued)

(38) "Ventilator-Dependent Child" means a child who for part or all of each day cannot sustain ventilation spontaneously at a level sufficient to prevent death or the development of life-threatening complications.

(389) (Continued)

Authority Cited: Sections 1530 and 1530.5, Health and Safety Code.

Reference: Sections 1501, 1502, 1507.5, 1530.5, and 1531, Health and Safety Code.

Amend Section 87010 to read:

87010 LIMITATIONS ON CAPACITY AND AMBULATORY STATUS 87010
(Continued)

(d) The licensee shall not accept more than one ventilator-dependent child.

Authority Cited: Sections 1530 and 1530.5, Health and Safety Code.

Reference: Sections 1501, 1507.5, and 1531, Health and Safety Code.

Amend Section 87045 and adopt handbook Subsection (c)(1) to read:

87045 EVALUATION VISITS (Continued)

87045

(c) In-home medical services provided to ventilator-dependent children shall not be evaluated by the Department as specified in Health and Safety Code Section 1507.5.

HANDBOOK

(1) Health and Safety Code Section 1507.5 provides in part:

For only children described in this section, these medical services shall not be considered as a substantial component of the services provided by the licensee for the purposes of Section 1507. In order to be placed in a foster home, a ventilator-dependent child shall be receiving medical supervision and case management under the California Children's Services Program (Article 2, commencing with Section 248, of Chapter 2 of Part 1 of Division 1) and the in-home medical care shall be provided by a licensed home health care services agency.

The State Department of Social Services and its agents shall not evaluate or have any responsibility or liability for the evaluation of medical services described in this section.

Authority Cited: Sections 1530 and 1530.5, Health and Safety Code.

Reference: Sections 1501, 1507.5, 1530.5, 1531, 1533, 1534, and 1538, Health and Safety Code.

Amend Section 87064(b)(6) to read:

87064 LICENSEE DUTIES AND RESPONSIBILITIES (Continued) 87064

(b) (Continued)

(6) Participating in activities which increase the licensee's own understanding of, and skill in, caring for children.

(A) All licensees providing care to a ventilator-dependent child shall maintain documentation verifying completion of a hospital's discharge planning program developed for the care of that child.

Authority Cited: Sections 1530 and 1530.5, Health and Safety Code.

Reference: Sections 1501, 1507.5, and 1531, Health and Safety Code.

Amend Section 87068.2(c)(9) to read:

87068.2 NEEDS AND SERVICES PLAN (Continued)

87068.2

(c) The needs and services plan shall contain at a minimum the following information: (Continued)

(9) Plans for providing services to meet the individual needs identified above.

(A) The licensee shall develop and comply with the plan to ensure that the in-home medical services required by a ventilator-dependent child are provided to meet the child's needs. The plan shall include the following:

- (1) Name, address, and telephone number of the licensed home health agency involved as the provider of in-home medically related services.
- (2) Number of in-home medical services hours per day required by the child.
- (3) Schedule of in-home medical services hours provided by the licensed home health agency.

Authority Cited: Sections 1530 and 1530.5, Health and Safety Code.

Reference: Sections 1501, 1507.5, and 1531, Health and Safety Code.

Amend Section 87075(c) and renumber Subsection (c)(1) to Subsection (c)(2) to read:

87075 HEALTH RELATED SERVICES (Continued)

87075

(c) Whenever a child is exposed to a serious communicable disease, or has any illness or injury which requires medical treatment or for which the cause is unknown, the licensee shall ensure that the child's immediate medical needs are met.

(1) The licensee shall maintain current documentation to ensure that the amount of in-home medical services provided to a ventilator-dependent child is sufficient to meet that child's medical needs.

(±2) (Continued)

Authority Cited: Sections 1530 and 1530.5, Health and Safety Code.

Reference: Sections 1501, 1507, 1507.5, and 1531, Health and Safety Code.

Amend Section 87075(e) to read:

87075 HEALTH RELATED SERVICES (Continued)

87075

(e) There shall be at least one person in the home who has received first aid and CPR training from agencies offering such training including but not limited to the American Red Cross.

(1) Any adult providing direct care and supervision at any time to a ventilator-dependent child shall maintain documentation verifying current training received in first aid and CPR from agencies offering such training including, but not limited to, the American Red Cross.

Authority Cited: Sections 1530 and 1530.5, Health and Safety Code.

Reference: Sections 1501, 1507, 1507.5, and 1531, Health and Safety Code.

Amend Section 87075(h) to read:

87075 HEALTH RELATED SERVICES (Continued)

87075

(h) When a child requires a ventilation or prosthetic device, vision aid or hearing aid, the licensee shall be familiar with the use of these devices and aids, and shall assist the child with their utilization as needed.

- (1) The licensee shall maintain documentation verifying that in-home medical services required by a ventilator-dependent child are evaluated by a registered nurse employed by a licensed in-home health agency.
- (2) The licensee shall maintain documentation verifying that the attending nurse providing nursing services to a ventilator-dependent child has successfully completed the hospital's discharge planning program developed for that specific child.

Authority Cited: Sections 1530 and 1530.5, Health and Safety Code.

Reference: Sections 1501, 1507, 1507.5, and 1531, Health and Safety Code.

FILED
In the office of the Secretary of State
of the State of California

Aug 10 1987

At 9:12 o'clock P. M.
MARCH FONG EU, Secretary of State
By Linda Hurdle Stockdale Brewer
Deputy Secretary of State

Office of Administrative Law

Certification

of

Approval

I, Linda Hurdle Stockdale Brewer, hereby certify that the regulations submitted in the rulemaking file identified below were reviewed and approved by me this date, in my capacity as the Director of the Office of Administrative Law.

Submitting Agency: Department of Social Services

OAL File No.: 87-0713-01R



Linda Hurdle Stockdale Brewer
Director

8-10-87

Date

REQUEST FOR APPROVAL
FACE SHEET

(See Instructions on Reverse)

SUBMITTED FOR REVIEW

JUL 21 1987

OFFICE OF ADMINISTRATIVE LAW

ENDORSED
APPROVED FOR FILING

AUG 18 1987

Office of Administrative Law

For use of Office of Adm Law

FOR FILING ADMINISTRATIVE REGULATIONS
WITH THE OFFICE OF ADMINISTRATIVE LAW

CERTIFICATION: I hereby certify that the attached are true and correct copies of regulations adopted, amended or repealed by this agency and that the information specified on this Face Sheet is true and correct.

State Department of Social Services

(AGENCY)



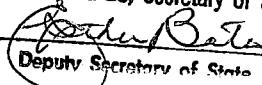
AGENCY OFFICER WITH RULEMAKING AUTHORITY

JUL 20 1987

Date:

RDB#0786-32
(OAL file number
87-0223-2)

87-0721-03R
FILED
In the office of the Secretary of State
of the State of California

AUG 18 1987
At 7:28 o'clock P.M.
MARCH FONG EU, Secretary of State
By 
Deputy Secretary of State

For use by Secretary of State only

1. AGENCY CONTACT PERSON FOR THIS FILING
(See instructions)

TITLE

TELEPHONE

Rosalie Clark, Chief, Regulations Development Bureau

(916) 445-0313

2. Type of filing. (check one) 30-day Review Emergency Certificate of Compliance
(Complete Part 4 below)

Regulatory changes resulting from Govt. Code 11349.7 review (Complete Part 6 below)
 Nonsubstantive changes with nonregulatory effect Printing Error Correction

3. a. Specify California Administrative Code title and sections as follows:

Title MPP

SECTIONS ADOPTED: 20-300.22 & .43; 22-202.22, .223, .23, & .24; 63-060; and 63-102d. (5) and w. (1)

SECTIONS AMENDED: 20-300.25; 22-202 (Title); 22-202.2, .21, .222; 63-801.231, .321, .42, & .422; and 63-805.11

SECTIONS REPEALED: 22-202.22 and 63-801.232

b. The following sections listed in 3a contain modifications to the text originally made available to the public: 20-300.221(b) (1), (b) (2), (c), & .25; 22-202.223, .223(j), & .23; 63-060; 63-102(w) (1); 63-801.231, .321, .42, & .422; and 63-805.11

4. CERTIFICATE OF COMPLIANCE (Government Code Section 11346.1(e)): The above-named agency officer certifies that this agency complied with the provisions of Government Code Sections 11346.4-11346.8. (Check one)

prior to the emergency adoption
 within 120 days of the effective date of the emergency adoption of the above-referenced regulations.

5. Is this filing a resubmittal of a previously disapproved or withdrawn regulation?

No Yes, if yes, give date(s) of prior submittal(s) to OAL: February 23, 1987

6. Is the filing submitted to carry out amendments or repeals identified in the statement of review completion submitted as a result of the agency's review of regulations administered by it as of June 30, 1980?

No Yes, if yes, give date statement was submitted to OAL

7. If these regulations required prior review and approval or concurrence by any of the following agencies, check appropriate box(es)

Fair Political Practices Commission (Include FPPC approval stamp) Building Standards Commission (Attach approval)
 State Fire Marshall (Attach approval) Department of Finance (Attach properly signed Std. 399)
 Other _____

(SPECIFY AGENCY)

8. a. PUBLICATION DATE OF NOTICE IN CALIFORNIA ADMINISTRATIVE NOTICE REGISTER
October 3, 1986

b. DATE OF FINAL AGENCY ACTION
JUL 20 1987

c. DATES OF AVAILABILITY OF MODIFIED REGULATION(S) (GOVT. CODE SEC. 11346.8(c))
July 2, 1987-July 16, 1987

9. Effective date of regulatory changes: (See Government Code Section 11346.2 and instructions on reverse)

a. Effective 30th day after filing with the Secretary of State.
b. Effective upon filing with the Secretary of State.
c. Effective on _____ as required or allowed by the following statute(s): _____
d. Effective on _____ (Designate effective date *earlier than* 30 days after filing with the Secretary of State pursuant to Govt. Code Sect. 11346.2(d).)
e. Effective on 10-1-87 (Designate effective date *later than* the normal effective date for the type of order filed.)
Attach request demonstrating good cause for early effective date. Request subject to OAL approval.

INSTRUCTIONS FOR STD 400

Completed Face Sheet for Filing Regulations with the Office of Administrative Law must be attached to the front of each of the seven copies of the regulations. Note that at least one Face Sheet must contain an original signature of the agency officer with rulemaking authority.

Part 1. Provide the name and telephone number of the person who is authorized during the review period to answer questions regarding this regulatory filing. If different than person designated in certification box, attach order delegating authority for making decisions regarding these regulations.

Part 2. Check the appropriate box. NOTE: Nonsubstantive changes are reviewed by and are subject to OAL approval.

Part 3 a. Provide the Administrative Code Title in which the regulation will appear and list *section* number of each regulation to be amended, adopted or repealed. *When filing a Certificate of Compliance list the section number of each emergency regulation formally adopted after completion of the rulemaking procedures of the APA.* (Attach additional sheets if necessary.)

b. Please list the section number of each regulation which includes modifications to the text to the regulations originally made available to the public pursuant to Government Code Section 11346.5(b), and adopted, amended or repealed as modified pursuant to Government Code Section 11346.8(c). The sections listed here must correspond to the sections which were made available for 15 days pursuant to Government Code Section 11346.8(c).

Part 4. Check appropriate box as necessary to comply with the requirements of Government Code Section 11346.1(e).

Part 5. Specify date(s) and file number(s) of each prior submittal of these regulatory changes which was withdrawn or disapproved.

Part 6. OAL has a longer time period to review regulatory changes submitted to carry out amendments and repeals which are identified in the agency's Statement of Review Completion and which have been submitted as a result of the agency's review of regulations administered by it as of June 30, 1980. Therefore, these regulatory changes should be submitted in a separate filing from any other regulatory changes. If not submitted separately, regulations not resulting from the review and any material in the rulemaking file relating to them must be clearly identified.

Part 7. Certain regulatory activities must be reviewed and approved by other state agencies prior to submittal to OAL. Regulations subject to prior approval include:

- Fire and panic safety regulations (Govt. Code Sec. 11342.3.).
- Building standards as defined in Section 18909 of the Health and Safety Code (Govt. Code Sec. 11343).
- Conflict of Interest regulations (Title 2 California Admin. Code Section 18750(i)).

Note: Where regulations have a fiscal impact on state, local or federal government or result in reimbursable costs to local government or school districts the fiscal impact statement must be reviewed, approved and signed by the Department of Finance before the regulations will be accepted for filing by OAL. See Government Code Sections 11349.1, 11346.5(a)(6), and S.A.M. sections 6050-6057.

Part 8 a. Provide the publication date of the Notice Register in which the notice of proposed action appeared.

b. Provide the date on which the regulatory agency adopted the regulatory changes.

c. If the regulations were modified subsequent to the hearing or written comment period, provide the dates during which the modified regulations were made available to the public. Note that period must be at least 15 days and must be completed prior to the date the agency adopts the modified text. All modifications must be clearly indicated.

Part 9. Effective Dates — check one of the following:

- A regulation or order of repeal is effective 30 days after filing with the Secretary of State unless a different date is specified below.
- An emergency order, Certificates of Compliance or nonsubstantive change is effective upon filing with the Secretary of State unless a later date is specified below.
- If an effective date other than specified above is required or allowed by statute, provide the date and the statutory citations(s).
- If an early effective date is being requested, please attach a letter specifying the date the regulation(s) should take effect and the reason for the early effective date. Requests are granted by OAL upon a showing of good cause.
- If an effective date later than specified above is requested, provide the date.

FILING REQUIREMENTS

The following material must be submitted when filing regulations with OAL:

- Seven (7) copies of the regulations. Note: Use underline and strikeout to indicate changes in an existing section. For adoption of a new section, underline new text. The repeal of an entire section may be indicated by placing a diagonal slash through the text to be repealed.
- A completed Face Sheet for filing regulations with the Office of Administrative Law, Form STD 400 attached to the front of each copy of the regulations, with at least one Face Sheet bearing an original signature.
- Complete rulemaking file, with index and sworn statement. (See Govt. Code Sec. 11347.3 for full list of rulemaking contents.)

DELEGATED AUTHORITY ORDER

I hereby authorize and designate Rosalie P. Clark, Chief, Regulations Development Bureau as the agency contact person who has authority to make decisions and answer questions regarding this regulation order.



LINDA S. McMAHON
Director

Renumber Sections 20-300.22, .23, and .24 to .23, .24, and .25, respectively; amend Section 20-300.2 to read:

20-300 INTENTIONAL PROGRAM VIOLATIONS IN
THE FOOD STAMP PROGRAM (Continued)

20-300

.2 County Responsibilities (Continued)

.22 Disqualification Consent Agreement

The CWD shall have the option of allowing accused individuals to sign Disqualification Consent Agreements for cases of deferred adjudication. For the purpose of this section, the term deferred adjudication applies to the following:

- (a) Those cases in which a determination of guilt is not obtained from a court due to the accused individual having met the terms of a court order; or
- (b) Those cases which are not prosecuted due to the accused individual having met the terms of an agreement with the prosecutor.

.221 CWD's using the Disqualification Consent Agreements shall conform with the following requirements:

- (a) Advance written notification shall be sent to the accused household member which informs him/her of the consequences of consenting to disqualification. This written notification shall include, at a minimum, the following:

- (1) A statement for the accused individual to sign that he/she understands the consequences of consenting to disqualification, accompanied by a statement that the head of household must also sign the Disqualification Consent Agreement, if the accused individual is not the head of household.
- (2) A statement that consenting to disqualification will result in

disqualification and a reduction in benefits for the period of the disqualification, even though the accused individual was not found guilty of civil/criminal misrepresentation or fraud.

(3) A warning of the disqualification penalties which could be imposed (as provided in Section 20-300.31) and a statement of which penalty shall be imposed as a result of the respondent having consented to disqualification.

(4) A statement that any remaining household members shall be held responsible for repayment of the resulting claim, unless the accused individual has already repaid the claim.

(b) The Disqualification Consent Agreement shall contain statements indicating whether the respondent wishes to admit that facts as presented are correct. Those statements shall be worded as follows:

(1) I admit to the facts as presented, and understand that a disqualification penalty shall be imposed if I sign this Disqualification Consent Agreement.

(2) I do not admit that the facts as presented are correct. However, I have chosen to sign this Disqualification Consent Agreement and understand that a disqualification penalty shall result.

(c) After a respondent has signed a Disqualification Consent Agreement and a disqualification penalty has been imposed, no further administrative appeal procedure exists. The disqualification penalty cannot be changed by a subsequent Administrative Disqualification Hearing or a state hearing decision. The respondent,

however, is entitled to seek relief in a court having appropriate jurisdiction.

•223 (Continued)

•234 (Continued)

•245 If the Administrative Disqualification Hearing or the court finds that the household member committed intentional Program violation, or if the accused individual has signed a Disqualification Consent Agreement or a Waiver of Right to an Administrative Disqualification Hearing, the CWD shall mail an Administrative Disqualification Notice, DFA 377.7A, to the household member.

Following an administrative hearing or a Waiver of Right to an Administrative Disqualification Hearing, the notice shall be sent prior to the disqualification action. The notice shall inform the household member of the decision, the reason for the decision, and the date the disqualification will take effect. The notice shall also advise the remaining household members of the allotment that they will receive during the disqualification period, or that they may reapply after the disqualification period ends. If the individual is no longer participating, the notice shall inform the individual that the period of disqualification will be deferred until the individual applies and is determined eligible for benefits. In addition, the CWD shall send the household a Repayment Notice (DFA 377.7B) and a Repayment Agreement (DFA 377.7C) for restitution as specified in SDSS' Manual of Policies and Procedures, Division 63, Section 63-801.43. The procedures for handling the income and resources of the disqualified member shall be in accordance with regulations in SDSS' Manual of Policies and Procedures, Division 63, Section 63-503.5441.

•3 Disqualification Penalties (Continued)

•4 Time Frames for Imposition of Disqualification Penalties (Continued)

•43 By Disqualification Consent Agreement

If the household member signed the Disqualification Consent Agreement, then the period of disqualification shall begin within 45 days of the date that the consent agreement was signed, unless contrary to a court order.

Authority Cited: Sections 10553 and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 18901, and 18902, Welfare and Institutions Code and 7 CFR 273.16(h).

Amend Section 22-202.2 to read:

22-202 NOTICE OF ADMINISTRATIVE DISQUALIFICATION
HEARING (ADH) (Continued)

22-202

•2 Upon receipt of the notification described in Section 22-202.1 the Chief Referee Department shall either:

•21 Schedule an Administrative Disqualification Hearing (ADH), or

•22 Refer the notification to the Department for review.

•22 Review the charges and the evidence submitted by the CWD.

•221 If the Department determines that there is insufficient evidence described to support the charges, the CWD shall be so notified.

•222 If the Department determines that there is sufficient evidence described to support the charges, the CWD shall be so notified, it shall return the notification to the Chief Referee and the Chief Referee Department shall schedule an administrative disqualification hearing ADH.

•223 Waiver of Right to an Administrative Disqualification Hearing

A waiver request form shall be sent with the Notice required by Section 22-202.3 to the respondent. This waiver request form shall be a written notification which informs respondent of the possibility of waiving the ADH. This waiver request form shall include:

(a) The information that the respondent has twenty days from the date of the notice to submit the signed waiver form to the Department. If the respondent fails to sign and return the waiver request to the Department within twenty days from the date of the notice, the ADH shall be held as scheduled.

(b) A signature block for the respondent's and the head of household's signature.

(c) A statement that the head of the household must sign if the respondent is not the head of the household.

(d) A statement of the respondent's right to remain silent concerning the charge(s) against the respondent and that anything said or signed by the respondent concerning the charge(s) can be used against the respondent in a court of law.

(e) A statement indicating that the waiver of the respondent's right to an ADH will result in disqualification and a reduction in benefits for the period of disqualification even if the respondent does not admit to the facts as presented by the CWD.

(f) Statements indicating whether the respondent wishes to admit that facts as presented are correct. Those statements shall be worded as follows:

 (A) I admit to the facts as presented, and understand that a disqualification penalty shall be imposed if I sign this waiver.

 (B) I do not admit that the facts as presented are correct. However, I have chosen to sign this waiver and understand that a disqualification penalty shall result.

(g) The telephone number and name of the CWD representative to contact for additional information about the ADH, and the waiver request.

(h) A statement informing the remaining household members that they shall be held responsible for repayment of the resulting claim, unless the claim has already been paid.

(i) A statement that the signing of the waiver form is entirely voluntary and that failure to sign the form shall not affect eligibility.

(l) A statement that the respondent's income and resources shall continue to be counted in the food stamp household's eligibility determination even though the respondent is disqualified from participation in the Food Stamp Program.

(k) A warning of the disqualification penalties which could be imposed (as provided in Section 20-300.31) and a statement of which penalty shall be imposed as a result of the respondent having consented to disqualification.

•23 If the respondent voluntarily and knowingly submits a signed waiver of his/her right to an ADH within the twenty-day period to the Department, the Department shall submit a signed copy of the waiver to the CWD and shall notify the CWD to initiate the notification of disqualification action and imposition of disqualification penalties in accordance with SDS's Manual of Policies and Procedures, Division 20, Sections 20-300.24, .3, and .4.

•24 No further administrative appeal procedure exists after a respondent waives his/her right to an ADH and a disqualification penalty has been imposed. The disqualification penalty cannot be changed by a subsequent ADH or a state hearing decision. The respondent, however, is entitled to seek relief in a court having appropriate jurisdiction.

Authority Cited: Sections 10553, 10554, and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 18901, and 18902, Welfare and Institutions Code and 7 CFR 273.16(f).

Adopt Section 63-060 to read:

63-060 IMPLEMENTATION OF WAIVER OF RIGHT TO 63-060
ADMINISTRATIVE DISQUALIFICATION HEARING AND
DISQUALIFICATION CONSENT AGREEMENT REGULATIONS

CWDs shall implement the provisions as amended herein, regarding the Waiver of Right to an Administrative Disqualification Hearing (ADH) and the Disqualification Consent Agreement. These provisions shall be effective on the first day of the first month following 30 days after filing of these regulations with the Secretary of State. Sections amended include 63-102(d)(5) and (w)(1); 63-801,231, .321, .42, and .422; and 63-805.11.

Authority Cited: Sections 10553 and 13904, Welfare and Institutions Code.

Reference: Section 10554, Welfare and Institutions Code.

Renumber Section 63-102d.(5) to d.(5) and amend Section 63-102d.; and renumber Section 63-102w.(1) to w.(2) and amend Section 63-102w. to read:

63-102 DEFINITIONS (Continued)

63-102

d. (Continued)

(5) "Disqualification Consent Agreement" means an agreement signed by accused individual(s) in cases of deferred adjudication wherein the individual consents to an appropriate disqualification period, with benefit reduction and acknowledges liability for payment of any resulting claim.

(56) (Continued)

63-102 DEFINITIONS (Continued)

63-102

w. (Continued)

(1) "Waiver of Right to an Administrative Disqualification Hearing" means an agreement wherein an accused individual waives the right to an AOH which will result in an appropriate disqualification period with benefit reduction and acknowledges liability for payment of any resulting claim.

(±2) (Continued)

Authority Cited: Sections 10553 and 18904, Welfare and Institutions Code.

Reference: Sections 18901 and 18902, Welfare and Institutions Code and CFR 273.16(f) and (h).

Repeal Section 63-801.232; amend Sections 63-801.231, .321, .421, and .422 to read:

63-801 CLAIMS AGAINST HOUSEHOLDS (Continued)

63-801

.2 Types of Claims (Continued)

.23 Intentional Program Violation Claims

.231 A claim shall be handled as an intentional Program violation claim only if an administrative disqualification hearing official or a court of appropriate jurisdiction has determined that a household member or the sponsor had committed an intentional Program violation, as defined in Section 63-801.232 20-300.1 or if an individual accused of intentional Program violation has signed either a Disqualification Consent Agreement or a Waiver of Right to an Administrative Disqualification Hearing as defined in Sections 63-102 (d) and (w). Prior to a determination of intentional Program violation the claim against the household shall be established and handled as an inadvertent error claim.

.232 An act committing an intentional Program violation is defined as having intentionally:

- (a) Made a false or misleading statement or misrepresented, concealed, or withheld facts, or
- (b) Committed any act which constitutes a violation of the Food Stamp Act, the Food Stamp Program regulations or any state statute relating to the use, presentation, transfer, acquisition, receipt or possession of Food Stamp coupons or ATPs.

.3 Calculating the Amount of Claims (Continued)

.32 Intentional Program Violation Claims

.321 For each month that a household received an overissuance due to an act of intentional Program violation, the CWD shall determine the correct amount of Food Stamp benefits, if any, the household was entitled to receive. The amount of the intentional Program violation claim shall be

calculated back to the month the act of intentional Program violation occurred, regardless of the length of time that elapsed until the determination of intentional Program violation was made or the date the Waiver of Right to an Administrative Disqualification Hearing or Disqualification Consent Agreement was signed.

However, the CWD shall not include in its calculation any amount of the overissuance which occurred in a month more than six years from the date the overissuance was discovered or prior to March 1, 1979. If the household member is determined to have committed intentional Program violation by intentionally failing to report a change in its household's circumstances, the first month affected by the household's failure to report shall be the first month in which the change would have been effective had it been reported. However, in no event shall the CWD determine as the first month in which the change would have been effective any month later than two months from the month in which the change in household circumstances occurred.

•4 (Continued)

•42 Criteria for Initiating Collection Action on Intentional Program Violation Claims

If an administrative disqualification hearing official or a court of appropriate jurisdiction finds that a household member or the sponsor of an alien household member committed intentional Program violation or if an individual accused of intentional Program violation signs either a Waiver of Right to an Administrative Disqualification Hearing or Disqualification Consent Agreement, the CWD shall initiate collection action against the individual's household or the sponsor of the alien household member. In addition, to the extent possible, the CWD shall make a personal contact with the household and/or its sponsor.

•421 (Continued)

•422 The CWD shall initiate collection action for an unpaid or partially paid claim even if collection action was previously initiated against the household while the claim was being handled as an inadvertent household error claim. In cases where

a household member was found guilty of intentional Program violation by a court or has signed a Disqualification Consent Agreement, the CWC shall request that the matter of restitution be brought before the court or addressed in the agreement reached between the prosecutor and accused individual.

Authority Cited: Sections 10553 and 18904, Welfare and Institutions Code.

Reference: Sections 10554, 18901, and 18902, Welfare and Institutions Code; 7 CFR 273.16(c), 7 CFR 273.16(h)(2), and 7 CFR 273.18(d)(2).

FILED

In the Office of the Secretary of State
of the State of California

AUG 18 1987
At 12 o'clock P. M.
MARCH FONG EU, Secretary of State
Linda Hurdle Stockdale Brewer
Deputy Secretary of State

Office of Administrative Law Certification of Approval

I, Linda Hurdle Stockdale Brewer, hereby certify that the regulations submitted in the rulemaking file identified below were reviewed and approved by me this date, in my capacity as the Director of the Office of Administrative Law.

Submitting Agency: Department of Social Services

OAL File No.: 87-0721-03R



Linda Hurdle Stockdale Brewer
Director

8-17-87

Date

SUPERIOR COURT OF CALIFORNIA

AUG 21 1987

OFFICE OF ADMINISTRATIVE LAW

ENDORSED
APPROVED FOR FILING

AUG 28 1987

Office of Administrative Law
For use of Office of Adm Law

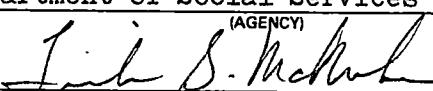
FACE SHEET

FOR FILING ADMINISTRATIVE REGULATIONS WITH THE OFFICE OF ADMINISTRATIVE LAW

CERTIFICATION: I hereby certify that the attached are true and correct copies of regulations adopted, amended or repealed by this agency and that the information specified on this Face Sheet is true and correct.

Department of Social Services

(AGENCY)



AGENCY OFFICER WITH RULEMAKING AUTHORITY

8/21/87

Date:

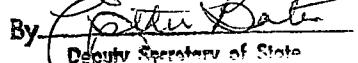
FILED

In the office of the Secretary of State
of the State of California

AUG 28 1987

At 4:00 o'clock P.M.

MARCH FONG EU, Secretary of State

By 

Foster Bates
Deputy Secretary of State

For use by Secretary of State only

1. AGENCY CONTACT PERSON FOR THIS FILING
(See instructions)

TITLE

TELEPHONE

Rosalie Clark Chief, Regulations Development Bureau

(916) 445-0313

2. Type of filing, (check one) 30-day Review Emergency Certificate of Compliance
(Complete Part 4 below)

Regulatory changes resulting from Govt. Code 11349.7 review (Complete Part 6 below)

Nonsubstantive changes with nonregulatory effect Printing Error Correction

3. a. Specify California Administrative Code title and sections as follows:

Title MPP

SECTION ADOPTED:

44-340

SECTION AMENDED:

44-138

SECTION REPEALED:

b. The following sections listed in 3a contain modifications to the text originally made available to the public:

4. CERTIFICATE OF COMPLIANCE (Government Code Section 11346.1(e): The above-named agency officer certifies that this agency complied with the provisions of Government Code Sections 11346.4-11346.8. (Check one)

prior to the emergency adoption
 within 120 days of the effective date of the emergency adoption of the above-referenced regulations.

5. Is this filing a resubmittal of a previously disapproved or withdrawn regulation?

No Yes, if yes, give date(s) of prior submittal(s) to OAL:

6. Is the filing submitted to carry out amendments or repeals identified in the statement of review completion submitted as a result of the agency's review of regulations administered by it as of June 30, 1980?

No Yes, if yes, give date statement was submitted to OAL

7. If these regulations required prior review and approval or concurrence by any of the following agencies, check appropriate box(es)

Fair Political Practices Commission (Include FPPC approval stamp) Building Standards Commission (Attach approval)
 State Fire Marshall (Attach approval) Department of Finance (Attach properly signed Std. 399)
 Other _____

(SPECIFY AGENCY)

8. a. PUBLICATION DATE OF NOTICE IN CALIFORNIA ADMINISTRATIVE NOTICE REGISTER b. DATE OF FINAL AGENCY ACTION c. DATES OF AVAILABILITY OF MODIFIED REGULATION(S) (GOVT. CODE SEC. 11346.8(c))

9. Effective date of regulatory changes: (See Government Code Section 11346.2 and instructions on reverse)

a. Effective 30th day after filing with the Secretary of State.
b. Effective upon filing with the Secretary of State.
c. Effective on _____ as required or allowed by the following statute(s): _____.
d. Effective on Sept. 1, 1987 (Designate effective date *earlier than* 30 days after filing with the Secretary of State pursuant to Govt. Code Sect. 11346.2(d).)
Attach request demonstrating good cause for early effective date. Request subject to OAL approval.
e. Effective on _____ (Designate effective date *later than* the normal effective date for the type of order filed.)

INSTRUCTIONS FOR STD 400

Completed Face Sheet for Filing Regulations with the Office of Administrative Law must be attached to the front of each of the seven copies of the regulations. Note that at least one Face Sheet must contain an original signature of the agency officer with rulemaking authority.

- Part 1. Provide the name and telephone number of the person who is authorized during the review period to answer questions regarding this regulatory filing. If different than person designated in certification box, attach order delegating authority for making decisions regarding these regulations.
- Part 2. Check the appropriate box. NOTE: Nonsubstantive changes are reviewed by and are subject to OAL approval.
- Part 3 a. Provide the Administrative Code Title in which the regulation will appear and list *section* number of each regulation to be amended, adopted or repealed. *When filing a Certificate of Compliance list the section number of each emergency regulation formally adopted after completion of the rulemaking procedures of the APA.* (Attach additional sheets if necessary.)
 - b. Please list the section number of each regulation which includes modifications to the text to the regulations originally made available to the public pursuant to Government Code Section 11346.5(b), and adopted, amended or repealed as modified pursuant to Government Code Section 11346.8(c). The sections listed here must correspond to the sections which were made available for 15 days pursuant to Government Code Section 11346.8(c).
- Part 4. Check appropriate box as necessary to comply with the requirements of Government Code Section 11346.1(e).
- Part 5. Specify date(s) and file number(s) of each prior submittal of these regulatory changes which was withdrawn or disapproved.
- Part 6. OAL has a longer time period to review regulatory changes submitted to carry out amendments and repeals which are identified in the agency's Statement of Review Completion and which have been submitted as a result of the agency's review of regulations administered by it as of June 30, 1980. Therefore, these regulatory changes should be submitted in a separate filing from any other regulatory changes. If not submitted separately, regulations not resulting from the review and any material in the rulemaking file relating to them must be clearly identified.
- Part 7. Certain regulatory activities must be reviewed and approved by other state agencies prior to submittal to OAL. Regulations subject to prior approval include:
 - a. Fire and panic safety regulations (Govt. Code Sec. 11342.3.).
 - b. Building standards as defined in Section 18909 of the Health and Safety Code (Govt. Code Sec. 11343).
 - c. Conflict of Interest regulations (Title 2 California Admin. Code Section 18750(i)).

Note: Where regulations have a fiscal impact on state, local or federal government or result in reimbursable costs to local government or school districts the fiscal impact statement must be reviewed, approved and signed by the Department of Finance before the regulations will be accepted for filing by OAL. See Government Code Sections 11349.1, 11346.5(a)(6), and S.A.M. sections 6050-6057.
- Part 8 a. Provide the publication date of the Notice Register in which the notice of proposed action appeared.
 - b. Provide the date on which the regulatory agency adopted the regulatory changes.
 - c. If the regulations were modified subsequent to the hearing or written comment period, provide the dates during which the modified regulations were made available to the public. Note that period must be at least 15 days and must be completed prior to the date the agency adopts the modified text. All modifications must be clearly indicated.
- Part 9. Effective Dates — check one of the following:
 - a. A regulation or order of repeal is effective 30 days after filing with the Secretary of State unless a different date is specified below.
 - b. An emergency order, Certificates of Compliance or nonsubstantive change is effective upon filing with the Secretary of State unless a later date is specified below.
 - c. If an effective date other than specified above is required or allowed by statute, provide the date and the statutory citations(s).
 - d. If an early effective date is being requested, please attach a letter specifying the date the regulation(s) should take effect and the reason for the early effective date. Requests are granted by OAL upon a showing of good cause.
 - e. If an effective date later than specified above is requested, provide the date.

FILING REQUIREMENTS

The following material must be submitted when filing regulations with OAL:

- *Seven (7) copies of the regulations.* Note: Use underline and strikeout to indicate changes in an existing section. For adoption of a new section, underline new text. The repeal of an entire section may be indicated by placing a diagonal slash through the text to be repealed.
- *A completed Face Sheet for filing regulations with the Office of Administrative Law, Form STD 400 attached to the front of each copy of the regulations, with at least one Face Sheet bearing an original signature.*
- *Complete rulemaking file, with index and sworn statement.* (See Govt. Code Sec. 11347.3 for full list of rulemaking contents.)

DELEGATED AUTHORITY ORDER

I hereby authorize and designate Rosalie P. Clark, Chief, Regulations Development Bureau as the agency contact person who has authority to make decisions and answer questions regarding this regulation order.



LINDA S. McMAHON
Director

Amend Sections 44-133.631(a), .711, .752, .753, .754, .755 and .756 to read:

44-133 TREATMENT OF INCOME (Continued)

44-133

.6 Income In Cases Where A Stepparent Resides In The Home (Continued)

.63 Computation of Income to the Assistance Unit

.631 The stepparent's income deemed available to the assistance unit is determined as follows:

(a) Determine the stepparent's net nonexempt income according to the provisions in Chapter 44-100. When determining net earned income the stepparent shall be entitled to a work expense disregard as follows:

(1) When the stepparent worked at least 100 hours and at least 13 days in the month to which the earnings are attributable allow a \$75 disregard.

When determining net earned income the stepparent shall be entitled to the \$75 work expense disregard.
(HANDBOOK: See Section 44-113.214).

(2) When the stepparent worked less than 100 hours or less than 13 days in the month to which the earnings are attributable allow a \$50 disregard.

(3) When the hours and days are not reported on the EA-7 but information provided is sufficient to determine that the stepparent was employed at sometime during the month, allow the \$50 disregard.

(2) The dependent care expense disregard in Section 44-113.215 and the \$30 and 1/3 and, as applicable, the \$30 disregard in Section 44-113.216 and 44-113.217 shall not be allowed.
(HANDBOOK: See Sections 44-113.215, .216 and .217).

(b) (Continued)

(c) (Continued)

(d) (Continued)

•7 Income in Cases Where the Senior Parents or Legal Guardians Reside in the Home with a Minor Parent.

•71 Definitions (Continued)

•711 A Minor Parent is a parent who is less than 198 years of age. The term minor parent also includes a pregnant woman less than 199 years of age who has no other children in the home.

•72 (Continued)

•73 (Continued)

•74 (Continued)

•75 Computation of Income to the Assistance Unit. (Continued)

•752 Determine the net nonexempt income of each senior parent or legal guardian according to the provisions in Chapter 44-100.

(a) When determining net earned income, each employed senior parent or legal guardian shall be entitled to the following work expense disregards from gross earnings: \$75 work expense disregard. (HANDBOOK: See Section 44-113.214).

(1) When the senior parent or legal guardian worked at least 100 hours and at least 13 days in the month to which the income was earned after a \$75 disregard.

(2) When the senior parent or legal guardian worked less than 100 hours or less than 13 days in the month to which the income was earned after a \$50 disregard.

(3) When the hours and days are not reported but information provided is

sufficient to determine that the senior parent or legal guardian was employed at sometime during the month, allow a \$50 disregard.

(4b) The dependent care expense disregard, the \$30 and one-third disregard and the \$30 disregard shall not be allowed. (HANDBOOK: See Section 44-113.215, 44-113.216 and 44-113.217).

~~•753(c)~~ (Continued)

~~•754(d)~~ (Continued)

~~•7553~~ (Continued)

~~•7564~~ (Continued)

Authority Cited: Sections 10553, 10554 and 10604, Welfare and Institutions Code.

Reference: Sections 10553 and 10604, Welfare and Institutions Code; Tax Reform Act of 1986, Section 1883(b) (Public Law 99-514, October 22, 1986); U.S. Department of Health and Human Services Action Transmittal (No. FSA-AT-87-4) dated April 16, 1987.

Adopt Section 44-340.7 to read:

44-340 UNDERPAYMENTS (Continued)

44-340

.7 An assistance unit shall be considered to be underpaid, for purposes of the Tax Reform Act, if it meets any of the criteria described in Section 44-340.71.

.71 One of the following circumstances occurred in the period between October 22, 1986, through August 31, 1987.

.711 Senior Parent/Legal Guardian Unit (HANDBOOK: See MPP Section 44-133.7) or Stepparent Unit (HANDBOOK: See MPP Section 44-133.6) was granted a part-time \$50 work related expense disregard.

(a) The CWD shall allow the full \$75 work related expense disregard retroactive to October 22, 1986, or the date of eligibility to the work related expense disregard, whichever is later.

.712 Senior Parent/Legal Guardian (HANDBOOK: See MPP Section 44-133.75) income was allocated to the assistance unit because of an 18-year-old minor parent living at home and attending school.

(a) The CWD shall recompute the amount available to the assistance unit without consideration of the income allocated from the Senior Parent/Legal Guardian retroactive to October 22, 1986.

.72 The case review, recomputation and correction of the underpayment shall be completed as soon as possible and not later than the deadlines set forth below:

.721 The date of the next annual redetermination of eligibility or the date of termination, whichever is earlier, for all current recipients on the effective date of this regulation;

.722 Sixty days from the date aid is granted for reapplications and requests for restoration of aid within one year of the effective date of this regulation;

•723 Sixty days from the date of a request for review in all other cases.

HANDBOOK

•724 This regulation is effective September 1, 1987.

Authority Cited: Sections 10553 10554 and 10604, Welfare and Institutions Code.

Reference: Sections 10553 and 10604, Welfare and Institutions Code; Tax Reform Act of 1986, Section 1883(b), (Public Law 99-514, October 22, 1986); U.S. Department of Health and Human Services Action Transmittal (No. FSA-AT-87-4) dated April 16, 1987.

Office of Administrative Law Certification of Approval

FILED
In the office of the Secretary of State
of the State of California

AUG 28 1987
At 4:40 o'clock P.M.
MARCH FONG EU, Secretary of State
By *Peter Bate*
Deputy Secretary of State

I, Linda Hurdle Stockdale Brewer, hereby certify that the regulations submitted in the rulemaking file identified below were reviewed and approved by me this date, in my capacity as the Director of the Office of Administrative Law.

Submitting Agency: Department of Social Services

OAL File No.: 87-0821-01E



Linda Hurdle Stockdale Brewer
Linda Hurdle Stockdale Brewer
Director

8/28/87
Date